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18 December 1980

SOUTH AND EAST ASIA REPORT

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PRESIDENT GREETES POPE, OTHER LEADERS

Dacca THE BANGLADESH TIMES in English 23 Oct 80 p 8

[Text] President Ziaur Rahman has sent the following message of greeting to His Holiness Pope John Paul II, Supreme Pastor of the Church, Vatican City, on the anniversary of his coronation, says an official announcement.

On the occasion of the anniversary of your coronation, I on behalf of the Government and the people of Bangladesh and on my own behalf, extend to Your Holiness our sincere greetings and felicitations.

I would like to take this opportunity to Your Holiness my best wishes for your personal good health, happiness and long life.

BSS adds: President Ziaur Rahman has sent his heartiest congratulations to Australian Prime Minister Malcolm Fraser on his victory in the general elections.

In his message of greetings President Zia expressed the hope that the already existing excellent bilateral relations between the two Commonwealth countries would be further deepened.

He said: "We are looking forward to work with you for the mutual benefit of our two peoples and for the cause of the global peace and progress".

He also expressed the confidence that Australia would march towards progress and prosperity under Mr Fraser's dynamic leadership and pragmatic policies.

President Zia wished good health and long life of the Australian Prime Minister.

The message said: "please accept my sincere greetings and heartiest congratulations on your victory in the general election. We are confident that Australia would continue her march progress and prosperity under your dynamic leadership and pragmatic policies. We hope during your new term of office the excellent bilateral relations between our two commonwealth countries will be further deepened and widened.

"My colleagues and myself are looking forward to working with you and your colleagues for the mutual benefit of our two peoples and for furthering the cause of global peace and progress. People of Bangladesh join me in conveying our best wishes for the good health and long life of Your Excellency and for the peace and continued progress of the friendly people of Australia.

Said Barre

President Ziaur Rahman on Monday felicitated President Mohammad Said Barre of Somalia on the 11th anniversary of revolution day of the Democratic Republic.

In a message of greetings to the President Somalia, President Zia conveyed his "best wishes" for the well being and prosperity of the friendly Somali people and for health and happiness of Gen Said Barre.

CSO: 4220

CONFERENCE SPEAKER CALLS FOR FREEDOM OF PRESS

Dacca THE BANGLADESH OBSERVER in English 10 Nov 80 pp 1, 12

[Text] Chittagong, Nov. 9:--The octogenarian litterateur-journalist Mr Mahbubul Alam called upon the journalists to launch a vigorous movement to establish the freedom of Press for the healthy growth of the profession in the country.

He was speaking as chief guest at the opening ceremony of three-day third biennial conference of the Bangladesh Federal Union of Journalists at Chittagong Press Club this morning. The opening ceremony presided over by Mr. Ahmed Humayun, President of the Bangladesh Federal Union of Journalists was addressed among others by Mr. Reazuddin Ahmed, Secretary General of the BFUJ, Prof. Mohammad Khaled, Editor of daily Azadi, Mr. Gias Kamal Chowdhury, President of Dacca Union of Journalists, Mr Mahbab Alam President of Chittagong Union of Journalists, Mr Ranjan Kishor Chowdhury President of Rajshahi Union of Journalists Mr Mahmudul Alam Khan President of Khulna Union of Journalists and Mirza Anjad Hossain President of Bogra Union of Journalists.

Mr Mahbubul Alam urged the journalists to depict the pathos and pangs of the common-man and to lead them in their fight for establishment of democratic right.

The chief guest said that journalism is a noble profession. The journalists must inculcate this sense of feeling in them in the discharge of their responsibilities, he said.

Mr Alam emphasised the need for concerted effort of all connected with the newspapers industry to work for the growth of journalism in the country.

The octogenarian journalist recalled his days of journalistic service in a choked voice and advised the journalists to follow the ethics of journalism.

Mr Ahmed Humayun President of the Bangladesh Federal Union of Journalists in his speech called for relentless struggle for establishment of Press freedom and realisation of basic rights of the working journalist.

Mr Ahmed said "a newspaper without freedom is accounts paper of grocery shop" and added that these papers are always called "unworthy papers".

The BFUJ President reiterated his demand for immediate constitution of Press Commission for the journalist community in the country. The Press Commission is indispensable for preparing the "code of ethics" for the journalist.

Mr. Ahmed Humayun cautioned the government against turning deaf ear to the various demands of working journalists. The journalists would come out in the street to realise their demands, he added.

Mr Ahmed urged the government to withdraw immediately all black laws of newspaper industries in order to create congenial atmosphere in the profession.

The President also called upon the newspaper owners to shun the attitude of commercialism in running the newspaper industries and help develop this profession in the larger interest of democracy.

Turning to the bureaucratic interference, he alleged that the bureaucrats sitting in their drawing rooms are hatching conspiring against the growth of journalism and consider themselves as owners of the newspaper, he added.

Mr. Ahmed reiterated his demand for immediate dissolving of newspaper Management Board of the Government owned newspapers.

Mr. Reazuddin Ahmed, Secretary General of the BFUJ in his speech said that this conference would work out guidelines for the journalists of the country for next two years.

The BFUJ Secretary General emphasised the need for institutional development of journalism in the country.

Mr. Ahmed said that the journalists are the conscious section of the society and an integral part of different national activities, and so the journalist cannot remain silent and sit idle when their basic rights are denied, he added.

He hoped that the journalist community and the society would forget unity and fight together for realisation of their rights.

Mr. Gias Kamal Chowdhury President of Dacca Union of Journalists in his speech said that the journalists would continue its struggle against all reactionary forces. They are now determined to realise their demands under any circumstances he added.

He called upon the journalists to unite and fight for realisation of their demands.

Prof. Mohammad Khaled, Editor of Daily Azadi in his speech highlighted various problems of journalists in Chittagong and urged them to take up all these problems for immediate solution.

CSO: 4220

TEXT OF 31 OCTOBER GENERAL AMNESTY PUBLISHED

Dacca THE BANGLADESH OBSERVER in English 1 Nov 80 pp 1, 12

[Text] The Government on Friday declared general amnesty on the occasion of National Revolution and Solidarity Day on November 7 and the amnesty covers all categories of prisoners, reports ENA.

A Press note announcing the formula for granting amnesty said that the prisoners, serving out two thirds of their sentences, detained for offences triable by magistrates, convicted under certain Martial Law Regulations and penal codes 55 years or above, and below 16 years of age, will be released.

One-third of the detenus may be released keeping in view their length of detention and the nature of their prejudicial activity the Press note said.

Following is the text of the Press note.

On the occasion of the ensuing National Revolution and Solidarity Day on November 7 Government has been pleased to grant general amnesty to all categories of prisoners as in the formula stated below.

- (1) Cases of prisoners detained in jail hayat for offences triable exclusively by Magistrates.
 - (a) Where no charge-sheet has been received and the undertrial prisoner has already been in jail hayat for more than one year as on 1-11-80 he shall be discharged.
 - (b) Where charge-sheet has been submitted but the undertrial prisoner has already been in jail hayat for more than half the period of the maximum sentence awardable for the offence in respect of which he has been charge-sheeted, the case against him shall be withdrawn.
- (2) Convicted prisoners, who have served out two-thirds of their sentences as on 1-11-80 including remissions, shall be released forthwith;

Convicts undergoing sentences for any of the following offences, or abetment thereof or attempt to commit such offences will not be eligible for release under sub-para (2) above, but they shall be allowed remission of one month for each year of sentence served in addition to the normal remissions:

(a) Prisoners convicted under the Martial Law Regulation Nos 13, 17, 19, 21, 22, 23 and 25 or for offences punishable under the Martial Law Tribunal Regulation, 1973 (Martial Law Regulation No. V of 1977);

(b) Prisoners convicted under Sections 303 (murder), 809 (Culpable homicide not amounting to murder), 576 (Rape), 364 (Kidnapping or abduction for murder), 793 (dacoity) 376 (dacoity with grievous hurt), 436 (mischief by firing or explosive substances with intent to destroy houses), 437 (mischief by firing or explosive substance) of Bangladesh Penal Code; and

(c) Prisoners convicted for offences committed under section 121 (waging war against the state) and 121A (conspiracy to wage war against the state) of Bangladesh Penal Code.

(3) Convicts of 55 years of age or above, who are certified by a Committee consisting of the Deputy Commissioner Additional Deputy Commissioner, Civil Surgeon and the DIG of Prisons Superintendent of District Jail as permanently infirm and permanently incapacitated, shall be released;

(4) All convicts below the age of 16 years of age as on 1-11-80 shall be released;

(5) One-third of the detenus may be released keeping in view their length of detention and the nature of their prejudicial activity.

CSO: 4220

GOVERNMENT PRESS NOTE EXPLAINS AMNESTY

Dacca THE BANGLADESH OBSERVER in English 7 Nov 80 pp 1, 12

[Text] Government on Thursday reiterated that the general amnesty declared recently was in keeping with the Government's policy of declaring such amnesty on the eve of important and festive occasions and not on account of any agitation or demand of the prisoners, reports BSS.

A Press Note issued on Thursday night by the Ministry of Home Affairs said that attention of the government has been drawn to certain comments made in a section of the Press that the general amnesty declared for the release of prisoners on the occasion of National Revolution and Solidarity Day on November seven this year has been made as a consequence of the agitation of the prisoners in different jails on various demands. It was also commented that if such amnesty was declared by the Government earlier, the tragedy of Rajshahi and Khulna jails could have been averted the Press Note said adding such comments were misleading and not based on facts.

Government would like to make it very clear that the amnesty has been declared not on account of any agitation or demand of the prisoners in keeping with the government's policy of declaring such amnesty on the eve of important and festive occasions like Independence Day, Victory Day, Eid-ul-Fitr Eid-ul-Azha and the Shab-e-Qadr. All categories of prisoners are covered under these amnesty and large number of convicts, under-trial prisoners and detenus have so far been released.

Exceptions in respect of release are made only in cases of heinous crimes and anti-state activities. Even in such cases remission of sentences have been granted.

As a result of these amnesty congestion in the jails have considerably decreased over the past five years.

The Press Note said, cases of detenus are as a rule kept under close and constant review by the government. Under the amnesty 4,675 detenus were released from different jails during the period from January 1977 to April 1980. The total number of other categories of prisoners released as a result of the general amnesty declared from time to time upto 7th November, 1980 will be published soon.

DETAILS OF DPRK BARTER PROTOCOL GIVEN

Dacca THE BANGLADESH OBSERVER in English 5 Nov 80 pp 1,8

[Text] Bangladesh and Democratic People's Republic of Korea (DPRK) will exchange goods worth 5.2 million dollars each way under the third bilateral barter protocol signed last week an official source in Dacca said on Tuesday reports BES.

The protocol was signed in Pyongyang on October 31 at the end of a four-day visit to DPRK by a three-member Bangladesh trade delegation led by Mr. Matiur Rahman, Secretary Ministry of Commerce. The protocol was signed by Mr. Matiur Rahman and DPRK Vice Foreign Trade Minister Mr. Li Sei Eung, on behalf of their respective governments.

The projected turnover indicated an increase of 16 per cent for the level of the second barter protocol which had just expired. Under the agreement Bangladesh will import billets, "steel sheets, zinc cement coal and magnesia clinker from DPRK. The DPRK would import from Bangladesh raw jute, jute goods, hides and skins leather and wires and cables.

During the visit, the Commerce Secretary called on DPRK President Kim Il Sung, Deputy Prime Minister Kei Eung and Foreign Trade Minister Choi Jong Gun.

President Kim Il Sung conveyed a message of greetings to President Ziaur Rahman and recalled Bangladesh head of state's visit to DPRK two years back.

The DPRK President also expressed his deep appreciation of the significant progress achieved in Bangladesh under the inspiring leadership of President Zia. President Kim Il Sung also expressed his satisfaction at the growing relations between the two friendly countries with the hope that mutual relations would grow from strength to strength in future.

On wayback home, Mr. Matiur Rahman held meeting with Chinese Vice-Foreign Trade Minister Mr Wang Run sheng in Peking and reviewed the progress of implementation of current barter protocol with China.

They also explored possibilities of further development and diversification of trade between the two countries.

GONOTANTRIK FRONT OBSERVES MAO ANNIVERSARY

Dacca THE BANGLADESH TIMES in English 10 Sep 80 p 8

[Text] Leaders of the five-party alliance, Gonotantrik Front, pleaded for a united platform of the "patriotic democratic forces" in order to change the existing social and political systems.

They were addressing a seminar organised by the Gonotantrik Front in observance of the fourth death anniversary of Chairman Mao Tse-dong of China at the Mahboob Ali Institute auditorium on Tuesday. Presided over by the Convener of the Front Mr Mohammad Toaha, MP, the seminar was addressed by Mr Nurul Huda Kader Baksh, Vice-President, National Awami Party (N-Z), Mr Abdul Matin, Convener, Gono Front, Mr Sirajul Hossain Khan, General Secretary of Jatiya Gonotantrik Union (Danesh), Mr Md Alauddin of Bangladesher Shanyabadi Dal and Kazi Zafar Ahmed, Chairman, United People's Party.

Mr Nurul Huda Kader Baksh described Chairman Mao as the greatest thinker of the modern age, a great leader of the Communists and a great friend of the non-communists and said that he had taught the people how to fight against oppression, repression and injustices.

Mr Abdul Matin said that it was significant that the progressive forces were now at least thinking about unity.

Mr Md Alauddin called upon the progressive forces to go for self-criticism, mend their mistakes and regain the confidence of the people.

Kazi Zafar Ahmed said that the country's independence and sovereignty was at a stake as a result of what he said the conspiracy by both the US imperialism and the Soviet socio-imperialists. The economy was also passing through a critical phase.

Mr Mohammad Toaha said that the programme of the five-party alliance was enough to meet the national requirement. But, he said the programmes could not be implemented due to lack of unity.

Bangla Chhatra Union both the factions of Jatiya Chhatra Dal and Jatiya Chhatra Andolan jointly held a seminar on "Mao Tse dong" at the Madhu's canteen of the Dacca University on Tuesday. Presided over by Mr Akhtar Hossain, President Bangla Chhatra Union the seminar was addressed, among others by Mr Ataur Rahman, Dhali of Jatiya Chhatra Dal and Azizur Rahman Asad of Chhatra Andolan.

CSO: 4220

HISTORY OF RELATIONS WITH KUWAIT REVIEWED

Dacca THE BAKGLADPSH OBSERVER in English 11 Sep 80 p 5

[Text] Bangladesh enjoys excellent relations with Kuwait-Kuwait has supported the cause of Bangladesh in various international forums.

The former Prime Minister of Bangladesh visited Kuwait in November, 1974 at the invitation of His Highness Amir of the State of Kuwait.

The Hon'ble President has also visited Kuwait at the invitation of His Highness the Amir of the State of Kuwait in June, 1979. It was a milestone in the relations between the two countries. During the visit, the two Heads of States held discussions in an atmosphere of friendship and mutual understanding on wide-ranging subjects covering bilateral relations and economic cooperation. A Trade and Economic Agreement as well as a Cultural Cooperation Agreement were signed during the visit of the Hon'ble President in Kuwait. They also reached an agreement for setting up a Joint Ministerial Commission to examine and develop avenues of further cooperation in all fields between the two countries. They also discussed the possibilities of greater Kuwaiti investments both in the public and private sectors in Bangladesh.

Bangladesh has received substantial Kuwaiti assistance for her economic development. Since 1975 she has received economic assistance from the Kuwaiti Fund for Arab Economic Development to the tune of about \$47 millions. The projects under Kuwaiti assistance are Manu River Project, Power Supply to Irrigation Project and East-West Inter-Connector Project. A few other projects are also under consideration of the Kuwait Fund for Arab Economic Development.

A Trade Agreement between Kuwait and Bangladesh was also signed in 1979. It laid the framework for cooperation between the two countries in the commercial field. The position of trade between Kuwait and Bangladesh is as follows:

Year Export from Bangladesh to Kuwait		(Value in Million Taka) Price F.O.B. Imports into Bangladesh from Kuwait
1972-73	3.98	16.90
1973-74	0.81	235.60
1974-75	1.63	56.05
1975-76	0.77	—
1976-77	3.77	176.76
1977-78	0.15	213.36
1978-79	3.37	202.49

Bangladesh imports from Kuwait mainly crude oil and petroleum products and other manufactured items. Kuwait imports from Bangladesh jute goods, jute carpets and electrical cables. There is a good prospect for further expansion of trade relations between the two countries. Bangladesh may find in Kuwait an excellent market for her agricultural products like vegetables and tropical fruits. Traditional handicrafts and other finished products may also find a good market in Kuwait.

Bangladesh and Kuwait have initialled an Air Agreement recently. It is expected that the capitals of the two countries will be air-linked shortly. A Fisheries Agreement was also signed between Bangladesh Fisheries Development Corporation and the United Fisheries of Kuwait in January this year for experimental fishing and survey operation in the economic zone of Bangladesh.

A Cultural Cooperation Agreement was also signed between the two countries. It is expected that exchange of cultural troupes, students, teachers, scientists and journalists will take place between the two countries in future under this agreement.

A large number of Bangladesh nationals are now working in Kuwait. Until 1977, the number of Bangladesh employees in Kuwait was only 1500. Since that time, the number has increased substantially and at present their number is more than 10,000 Bangladesh employees in Kuwait include skilled, semi-skilled labourers, cleaners drivers mechanics, technicians, engineers, nurses, doctors, teachers, etc. Bangladeshis working in Kuwait make regular remittances to Bangladesh. Kuwait offers a good market for Bangladesh workers in various fields.

CSO: 4220

BANGLADESH-ROK FRIENDSHIP ASSOCIATION OPENS

Dacca THE BANGLADESH OBSERVER in English 7 Nov 80 pp 1, 12

[Text] The Minister for Information and Broadcasting Mr Shamsul Huda Chowdhury on Thursday stressed the need for strengthening the bonds of friendship between the people of Bangladesh and Republic of Korea through exchange of information and widening cooperation to their mutual benefit reports BSS.

More information means more knowledge and friendship he said at the inaugural function of the newly formed Bangladesh Korea ROK Friendship Association at a hotel in Dacca on Thursday afternoon.

The function was addressed among others by Dr A K N Islam President of the Association and Mr Kie Yul Moon Ambassador of the Republic of Korea in Bangladesh.

The Information Minister referred to the similarities between the two countries in many fields including cultural and religious inheritance and said, it is a pity that although Bangladesh and ROK are almost neighbours, we don't know much about each other. He appreciated the formation of the friendship association as a welcome step and said that the information gap between the two countries and people could be narrowed through the developing the communication media.

Mr. Chowdhury said that Bangladesh like the Republic of Korea, wanted to live in peace to ensure progress for its people. Bangladesh wants to be friendly with every body, he said adding as we do not want to interfere in others internal affairs similarly we want others not to interfere in our affairs.

Ambassador Kei Yul Moon in his speech expressed satisfaction at the formation of friendship association and said that the friendship growing rapidly between the two countries would have to be consolidated.

The function was also addressed by Mr. Mahbub ul Ahman, Vice-President and Mr. Fakrudin Ahmed, Secretary General of the friendship association.

CSO: 4220

DELEGATION IN PRC MEETS WITH VICE PREMIER

Dacca THE BANGLADESH OBSERVER in English 9 Nov 80 p 1

[Text] Peking, Nov. 8:--Chinese Vice-Premier Mr. Wan Li has expressed happiness at the 'growing pace' of Bangladesh-China friendship, reports BSS.

Mr. Wan who is also the Chairman of the State Agricultural Commission of China was talking to the members of a three member Bangladesh study team in his office yesterday.

The Chinese Vice-Premier pledged all necessary cooperation to the visiting team led by Dr. S.H.K. Eusufzai, Member of the Planning Commission.

Dr. Eusufzai said his team would gain immensely from the Chinese experience and achievements to meet the requirements of Bangladesh within the frame work of its own objectives.

The Bangladesh Ambassador to China Mr. M.M. Rezaul Karim was also present.

Explaining the development objectives of the country, Dr. Eusufzai said Bangladesh assigned highest priority in its Second Five-Year Plan to development of agriculture, especially for raising production of foodgrains.

Bangladesh, he said, laid special emphasis to cooperation among developing nations particularly with China.

Agriculture, he said, occupied "foremost" place in the four modernisation programmes of China and added his team was in China to benefit from the Chinese experiences in the sector.

The team Dr. Eusufzai said, would also gain from its experience in the planning and implementation of various nation-building tasks.

The team had earlier held two rounds of discussions with the Chinese Vice-Minister for Agriculture Dr. Zhiduan.

The team also undertook visits to a number of Chinese provinces where it saw the working of the communes and their agriculture and water conservancy projects.

CSO: 4220

MUSLIM LEAGUE GROUP FAVORS ISLAMIC REPUBLIC

Dacca THE BANGLADESH OBSERVER in English 9 Sep 80 p 12

[Text] The central working committee of Bangladesh Muslim League (Sabur) in a meeting on Monday demanded to declare Bangladesh as a Islamic Republic.

Presided over by party chief Khan A. Sabur the working committee meeting condemned the Soviet aggression in Afghanistan.

In a resolution the meeting stressed the need to establish the right of Bangladesh on the new island South Talpatti which they said the expansionist India had forcibly occupied. In another resolution the meeting expressed concern over the communal riot in India.

The meeting criticised the Government's wrong jute policy which it said had been a positive disincentive to the jute growers. In a resolution the meeting expressed concern over the upward trend in the price index in the wake of flood and demanded immediate measures to arrest the price spiral.

BSS adds: The Central Committee of Bangladesh Muslim League said Bangladesh was facing "a delicate situation" internationally and politically.

Thousands of miles of open boundary around Bangladesh, the party in a resolution said, posed threat to her independence and sovereignty.

The meeting expressed the determination of the party to defend national independence and sovereignty. Love for the motherland is part of faith, it added.

The meeting held at the residence of Mr. M.A.Matin a Vice-President of the organisation, was presided over by the party President Khan, A. Sabur.

CSO: 4220

RAHMAN SENDS GREETING TO PRC PREMIER ZHAO

Dacca THE BANGLADESH OBSERVER in English 9 Sep 80 p 1

[Text] President Ziaur Rahman has sent a message of felicitation to Mr. Zhao Ziyang on his assumption of office as the Premier of the State Council of the People's Republic of China, according to a PID handout.

Following is the text of the message:--On behalf of the Government and the people of Bangladesh and on my own behalf, I extend to Your Excellency our warmest felicitations on your assuming the high office of the Premier of the State Council of the People's Republic of China.

We are confident that under your able leadership the friendly people of China will continue their resolute march towards progress and prosperity.

China and Bangladesh are close neighbours and bound by friendly ties that go back more than a thousand years. We share a commitment to the strengthening of friendly and mutually beneficial cooperation and also consolidation of peace and security and opposing all forms of domination and hegemonism in our search for global peace.

It is a matter of great satisfaction that relations between our two countries are growing and deepening in a wide range of fields. It is our conviction that the fruitful cooperation between our two neighbouring countries will be further strengthened during your tenure of office.

May I avail myself of this opportunity to wish Your Excellency happiness, long life and the success in your new office and the friendly people of China peace and continued prosperity.

CSO: 4220

SATTAR EXTOLS BANGLADESH RELIGIOUS FREEDOM

Dacca THE BANGLADESH TIMES in English 10 Nov 80 pp 1, 8

[Text] Vice-President Mr. Justice Abdus Sattar on Sunday said that the peaceful co-existence and cooperation among the people belonging to different religions had set a 'glorious chapter in our national life.'

Speaking as chief guest at the first Kathin Chibar Dana representation of sacred yellow robes) ceremony organised by the Dacca branch of Bangladesh Buddhist Association at the Siddheswari College premises the Vice-President said that every citizen in Bangladesh enjoyed full religious freedom and they had been maintaining their individual religious identity in a peaceful atmosphere.

The ceremony presided over by most venerable Snagharaj Selalangkar Mahastabir religious head of the Buddhists of Bangladesh was addressed by Information and Broadcasting Minister Mr Shamsul Huda Chowdhury Religious Affairs Minister Mr Abdur Rahman State Minister for Food Mr Aung Sheu Prue Chowdhury Mr Oli Ahmed MP venerable Probahngahu Bhikkhu Prof Ranadhir Barua President Bangladesh Buddhists Association Mr S. B. Barua Chairman of the reception committee and Mr D P Barua Vice-President Bangladesh Buddha Kristi Prochar Sangha:

The Vice-President said that Buddhists in Bangladesh being an indivisible part of the nation were engaged in their religious and cultural activities. While mentioning the rich cultural heritage of the Buddhists in Bangladesh he said that archaeological resources of Mainamati Paharpur and Mahastangar depicted the glorious tradition of the Buddhist era.

Justice Sattar assured the Buddhists Community that government would give due consideration to their hopes and aspirations.

Shamsul Huda

Mr Shamsul Huda Chowdhury while recalling the contribution of the Buddhists Community in the Bengali literature culture architecture said that its contribution to the rich cultural and archaeological heritage was a part of the history of this country.

The Information Minister felt that adherence to the ideals and teachings of Lord Buddha was essential to restore peace and tranquility in the present world torn by conflicts hunger and other human miseries.

Abdur Rahman

Mr. Abdur Rahman said that people belonging to different religion must unitedly dedicate themselves to the cause of the country and the nation. He said that people in Bangladesh irrespective of their religious faiths were living in total peace and harmony which he said was one of the pre-requisites for achieving national progress and prosperity.

Mr Aung Sheu Prue Cnowdhury in his speech said that Buddhists in Bangladesh could play a significant role in promoting ties between Bangladesh and Buddhists populated countries of the world.

He said that Bangladesh under the inspiring leadership of President Ziaur Rahman had not only made significant impact in the international sphere in the promotion of peace and friendship but also built up a truly cordial and fruitful ties with Buddhist populated countries of Asia.

Most venerable Sangharaj Selalalankar Mahastabir in his presidential address said that Buddhist Community in Bangladesh would continue to extend its all out cooperation to the task of nation building under the dynamic leadership of President Ziaur Rahman.

He said that Buddhists in Bangladesh in an atmosphere marked by total religious freedom were engaged in their religious and cultural activities.

CSO: 4220

DACCA ISSUES PRESS NOTE ON KHULNA INCIDENT

Dacca THE BANGLADESH OBSERVER in English 23 Oct 80 pp 1, 8

[Text] Thirty four prisoners were killed in violent clashes between two opposing groups of prisoners inside Khulna District Jail on the night of October 20 and the following morning according to a Government Press Note issued in Dacca on Wednesday night, reports BSS.

The Press Note said that while controlling the riotous prisoners 114 policemen six Fire Brigade personnel and five Ansars were injured the condition of some of whom was still serious.

A judicial enquiry into the incident has been ordered by the Government the Press Note issued by the Ministry of Home Affairs said.

Press Note

The following press Note was issued by the Ministry of Home Affairs in Dacca on Wednesday.

The Government has learnt with deep regret that seven prisoners were killed and twenty seven others succumbed to their injuries as a result of a violent clash between two opposing groups of prisoners which took place inside the Khulna District Jail on the night of October 20 and the following morning. The circumstances that led to the clash and the action taken to control the situation are given below:

On the morning of 12th October 1980 a group of prisoners of Khulna District Jail started instigating other prisoners to go on hunger strike on certain demands which they had placed before the jail authorities earlier. Those who opposed the strike call were suddenly attacked by that group and as a result some of the prisoners were badly injured. These unruly prisoners then rushed towards the main gate of the jail and attempted to break it open. When they failed, they immediately took charge of the gate from inside and barricaded it by piling up logs of wood and bags of food stuff. A tense situation was created inside the jail and 22 members of the jail staff including one Deputy Jailor one female warder and 20 male warders and in addition two workers of the FWD who were on duty inside the jail were taken as hostages. The Deputy Commissioner, Khulna immediately rushed to the jail and had two rounds of talks with the prisoners who raised a number of additional demands including the release of undertrial prisoners who are in custody for over three months abolition of death sentences regular visit of High Court Judges and

others to the jails transfer of some jail officials and some prisoners, etc. The prisoners were quite adamant in asking the Government to meet their demands and insisted on a sitting with the Chief Justice the Home Minister and the local judges and threatened that if the demands were not met they would kill the hostages.

While efforts were being made by the district administration and the jail authorities to persuade the prisoners to withdraw the barricade and release the hostages they made all preparation of arming themselves with deadly weapons which they made out of iron rods window grills etc in the black smithy shop inside the jail. They dug bunkers protected by steel plates heaped brick-bast on the top of the buildings and posted their own guards there. They beat up the peace loving prisoners confined them in the cells and repeated their threat of killing the hostages. Meanwhile, all precautions were taken to prevent the prisoners from breaking the jail by deploying the police force outside the perimeter wall. The prisoners were repeatedly requested to come to their senses by the Deputy Commissioner and the Inspector General of Prisons who had rushed to Khulna on receipt of information regarding the disturbances but the unruly prisoners became more and more violent.

On the night of October 20 a serious clash took place between the unruly elements and those prisoners who were trying to surrender in response to the call of the authority. A number of prisoners were reported to be seriously injured during the clash. It then became apparent that no useful purpose would be served by continuing negotiations with the unruly prisoners in order to solve the problem through peaceful means. It was therefore, decided to forcibly enter into the jail and overpower the unruly prisoners. Consequently, in order to save the lives of the hostages as well as of the large number of peace loving prisoners the Police along with the Ansars and the Fire Brigade personnel attempted to enter into the jail at 0545 hours on October 21. The violent elements inside the jail attacked the Police, Ansars and the Fire Brigade personnel with deadly weapons and heavily brickbatted them when they tried to scale into the jail premises. However, the Police party was successful in entering into the jail by scaling the perimeter wall and breaking open the inner gate. Following this on one side, the two opposing groups of prisoners engaged in serious clash amongst themselves and on the other side a section of violent prisoners opposed the entry of the Police, Ansars and Fire Brigade personnel into the jail and attacked them with lethal weapons. The Police party, however showed maximum restraint and repeatedly asked in vain the unruly prisoners to stop the clash, desist from attacking the law enforcing forces and to lay down their lethal weapons. Finding no other way, the police had to resort to lathi charge and fire 67 rounds of tear gas shell 24 rounds of gas grenade and 23 rounds of rubber bullet to bring the situation under control. The Police did not use fire arms. While controlling the riotous prisoners 114 policemen six Fire Brigade personnel and five Ansars were injured. The condition of some of them is still serious. The Police party after a short engagement successfully freed all the hostages and rescued the prisoners who were under attack by the frenzied prisoners. The rowdy elements were all captured by the police.

The Police party on entry in to the jail premises found seven bodies of the prisoners who were killed by the unruly elements. Twenty seven more prisoners who were seriously injured due to clash amongst themselves succumbed to their injuries. One pipe gun with five rounds of 303 bullet and a few hand bombs, hundreds of spears, bows arrows "ramdaous" etc. were recovered.

The injured persons are under treatment at the hospital. The situation is now under complete control

A judicial inquiry into the incident has been ordered by the Government

CSO: 4220

BANGLADESH, TURKEY SIGN TRADE AGREEMENT

Dacca THE BANGLADESH OBSERVER in English 7 Sep 80 p 1

[Text] Mr. Habibullah Khan, Minister for Jute, on Saturday said that Turkey had expressed the desire to import all her jute and jute goods requirements from Bangladesh.

Mr. Khan was talking to BSS after his return from two week visit to Turkey and the United Kingdom at Kurmitola international airport in Dacca on Saturday afternoon.

The Minister said that Bangladesh and Turkey had signed Memorandum of Understanding for increased volume of trade between the two countries. Turkish Commerce Minister Mr Halil Basol, and Mr Habibullah Khan signed the memorandum on behalf of their respective governments.

About the setting up of a warehouse in Turkey, Mr Habibullah Khan said that a joint task force comprising officials of Turkish government and Bangladesh Jute Mills Corporation (BJMC) would work out details about it. He said the BJMC would open a full fledged office in Ankara within one month for providing proper services to the importers.

In the United Kingdom the Minister held discussions with the members of the UK Jute Goods Association and Dundee Jute Importers Association. He said the members of the association had indicated that quantum of import from Bangladesh would be increased.

Mr. Habibullah Khan said he also held discussions with the members of London Jute Association, the main importer of Bangladesh raw jute. He said outstanding problems were sorted out in the meeting. He said they had expressed their desire to import more raw jute from Bangladesh in future.

Mr. Khan said indications were there that jute carpet-backing cloth would soon recapture its market.

About the Harrow gate International Carpet Fair the Minister said he was warmly received by the Mayor of the city and taken around the fair. He said the Bangladesh stall at the fair drew a large crowd and buyers had shown interest in Bangladesh carpet-backing cloth.

Mr Manzur Morshed Chairman, BJMC accompanied the Minister.

CSO: 4220

ZIA STRESSES NEED FOR INDUSTRIAL DEVELOPMENT

Dacca THE BANGLADESH OBSERVER in English 5 Nov 80 p 1

[Text] President Ziaur Rahman said in Dacca on Tuesday that we have to launch a peaceful industrial revolution for the maximum utilisation of the installed capacity of the country's mills and factories to increase productivity. The agricultural development of the country will not be possible without industrial development, he added.

President Ziaur Rahman said this while inaugurating a three-day national seminar on "Utilisation of existing capacity in mills and factories and increasing productivity" organised by the Ministry of Labour and Industrial Welfare.

President Zia said that there was need for industrialisation in the country for the full utilisation of the country's raw materials. If we can export finished products instead of raw materials, we can increase our export earning by almost eight times, he said. He called upon all concerned to help grow leather, jute and tea industries for export of finished products.

The countries which are agriculturally developed are also industrially developed, he said. The rapid development in the industrial sector has become very urgent and important in the changed circumstances of the country, he said.

The President said that for increasing production in the agricultural sector and for application of modern scientific method of cultivation, we have to develop our industrial sector. The age old belief that industrialisation is not possible in our country is a wrong conception propagated by the vested interest the President said.

If we can turn our nation into a "technological nation" we will be able to employ our vast unemployed manpower and thus march ahead to the path of national progress and prosperity, he said.

There is need for proper training of our mill workers, management personnel and the entrepreneurs for smooth and proper functioning of the mills and factories, he said. Seminar of this type should be organised in our mills and factories and in different areas of the country to motivate our people for increasing production, he suggested.

A plan is already underway to run our mills and factories in three shifts instead of present one shift system, he said. The politics in our mills and factories

should be only the politics of production for smooth and proper functioning of the mills and industries, he said. The President, however, pointed out that some groups of people were engaged in politics of chaos and indiscipline for their personal gains which has to be foiled unitedly.

The mass media like radio and television can play a vital role to inspire and motivate the people to create awareness for increasing productivity in the mills and factories, he said.

Referring to the Khulna Shipyard, Joydevpur Machine Tools Factory, Saidpur Railway Workshop and Narayanganj Dockyard, he said capacity production in these installations would help rapid industrialisation of the country.

"We must turn our nine crore people into a working force through training and motivation to achieve success in the industrial revolution. The nationalised sector corporations should have training institutes of their own to impart training to all categories of employees and workers, he said. All the workers in the mills and factories should be developed as skilled in different trades and there should be none left as unskilled, he asserted.

If the Machine Tools Factory is fully and properly utilised, most of the spare parts and machinery required for the country's textile and jute industries can be manufactured locally, he said. Coordination among management of the heavy industries is essential to manufacture such spare parts which are at present imported at a huge cost, he regretted.

We are determined to explore oil soon, he said. There was little effort in the past for oil exploration due to mysterious reasons, he said. Stressing the need for expansion and modernisation of our shipping, he said no country can develop without her own shipping. Transport industry would also be developed simultaneously as transport plays a vital role in economic activities of a nation he said. The use of jute has to be diversified and production has to be increased for more export of jute products, he said.

Mr. Rezauddin Ahmed, Minister for Labour and Industrial Welfare in his presidential address said that economic development and social justice can be ensured only through increasing productivity. Stressing the need for healthy workers, management relationship, he said it was essential for increasing productivity. Referring to the recently announced Labour Policy by the Government he said it was formulated to provide more facilities to the workers.

The Labour and Industrial Welfare Minister also listed a number of steps taken by the Government for the labour welfare.

Mr. A.B.M. Golam Mustafa, Secretary, Ministry of Labour and Industrial Welfare, also spoke on the occasion.

EFFICIENT USE OF WORLD BANK CREDIT URGED

Dacca THE BANGLADESH OBSERVER in English 24 Oct 80 p 5

[Editorial: "World Bank Soft Credit"]

[Text] The foreign exchange requirement of the projects included in the Second Five-Year Plan is enormous. The same can partially be met from our own earnings. The other part can be met from aid and credit coming from various international financial institutions. A third source could also be in the shape of direct investment by transnational corporations. As it is, the support from the international financial agencies has proved more steady for a developing country like Bangladesh. It is so because of the terms under which financial institutions have extended aid and credit.

Though not spelled out in such details, soft credit is normally allowed for financing viable industrial projects as well as for industrial raw materials and spares. In the long run such projects often pay off the loan with interest thereon particularly due to the fact that the moratorium period often extends beyond what is called gestation period of industrial projects. The 'raison d'etre' of this type of credit is therefore clear. More of soft loan may generate economic activities in otherwise non-traditional and small-scale industries sector. This is pre-eminently true about Bangladesh, which has potentials for small scale industries based on indigenous raw materials side by side with expansion of import substitution industries utilizing imported industrial raw materials. As reported, the World Bank officials are convinced about the growth of these sectors of the economy and more and more support would be forthcoming in the coming years. And if those coming years coincide with the Five-Year Plan period for which a good roster of projects has already been prepared, the results may be all the more encouraging. The reported contract for about one hundred million dollar of interest-free soft credit with the World Bank may be considered in the overall context of our requirement and availability of such aid and credit.

Projects to be funded from the given credit should be sorted out meticulously in terms of financial exercises including cost-benefit analysis, net present value analysis as well as break-even analysis. Every bit of money that is invested should not only have multiplier effect but also the ultimate profitability and the socially desirable effects. Agencies charged with selection of projects should therefore be fully equipped with men and method used for the same. As the credit comes through arduous negotiations the utilization thereof should be all the more meticulous.

The investment policy as well as the climate have drawn favourable response from aid-giving and financing agencies. Such response should be transformed into all the more effective use. Those who are managing the public sector and those who are awaiting their turn to invest, should do basic home-work before floating new projects for assistance. Incidentally this aspect of the exercise is done in many more places than what is desirable. Investors have often complained of lengthy procedures followed by agencies concerned. Efforts have to be made to converge these procedures into efficient system and also to update the technical abilities of persons responsible for operating such systems if the fruits of soft credit were to be materialized.

CSO: 4220

WORLD BANK LOAN ANNOUNCED IN PRESS RELEASE

Dacca THE BANGLADESH OBSERVER in English 23 Oct 80 p 1

[Text] World Bank will extend soft-term credit worth 100 million dollars to Bangladesh for small industries and import financing a government Press release said on Wednesday reports BSS.

Two separate agreements on the credits were signed recently in Washington by Bangladesh Ambassador to the United States Mr Tabarak Hussain and Mr Michael Weiher Acting Regional Vice President of the Bank on behalf of their respective sides.

The Press release said the 35 million dollar credit for small industries sector would help develop productive capacity in the small scale industries. The rest credit of 65 million dollars would be used for importing industrial raw materials and spares.

The credits are interest free with a service charge of three-fourths of one per cent repayable over a period of forty years after a grace period of ten years.

Speaking on the occasion Mr Tabarak Hussain said that credits worth another 110 million dollars for projects had already been negotiated with the World Bank. He hoped that the Bank would be able to increase its commitments during this fiscal year to an all-time high record.

The Ambassador said that the credits would help further utilisation of industrial capacity and improvement of balance of payments situation which is now under strains due to heavy expenditure on oil imports.

Mr. Hussain also urged the Bank as Chairman of Bangladesh Aid Group to mobilise external resources for the implementation of the Second Five Year Plan of Bangladesh.

Mr Narashiman outgoing Executive Director of India Bangladesh Sri Lanka group in the Bank also expressed the hope that the Bank would increase its commitments to Bangladesh.

CSO: 4220

GOVERNMENT TO SELL SHARES IN STATE FIRMS

Dacca THE BANGLADFSH OBSERVER in English 10 Nov 80 p 1

[Text] The Government is planning to release shares to the public from some selected industries owned wholly or partly by it to generate funds for new projects Finance Minister Saifur Rahman said in Dacca on Sunday reports BSS.

Such shares will be from those industries which are outside the reserved list he said. Government's holdings with enterprises in multinational corporations may also come under the scheme.

The Finance Minister was addressing a meeting of the Over Seas Correspondents Association of Bangladesh (OCAB) at Hotel Intercontinental Dacca on Sunday evening.

The Minister said that public sector will continue to play the dominant role in the country for "years to come."

The whole character of development forces and the nature of economy will force the public sector to be dominating" he added.

Mr. Rahman said in a resource-scarce country like Bangladesh where Government had to allocate funds Government intervention is necessary.

He said that the public sector would have to undertake projects which are capital-intensive and took a long time to be conceived and implemented. He cited the energy sector as an example.

Replying to a question Mr. Saifur Rahman said that guidelines for private sector banks would be framed in a manner that these institutions "While we are aware of the act, constructively need to encourage the private sector we are not oblivious of their failures and shortcomings" he said.

The Finance Minister said that regulations about the private banks could cover composition of the Board of Directors, about how they use the finances at their disposal and deposits among others.

Answering a question on Government measures to stabilise prices Mr. Rahman said to achieve this the Government would like to avoid deficit financing pursue fiscal and monetary policies which would help or encourage savings and would take excess money out of the market and fashion direct and indirect taxes in a manner so that the burden was more on the richer section of people.

Along with these measures he said a liberal import policy was to be pursued so that there was no scarcity in the market.

Mr. Rahman said the Government had listed agriculture family planning education and energy development as four priority sector in the Second-Five-Year Plan (SFYP) allocations to which would be projected at any cost. There is any question of curtail from any sector these four sectors will not be affected he said.

The Minister referred to internal resource difficulties to finance the projects in these sectors Taka resources are very much needed to implement the projects.

The Minister said that internal resource mobilisation had to be done through encouraging savings increasing revenue incomes and maintaining auster measures.

The meeting with the over seas correspondents was also attended by Mr. Nurul Islam Governor of Bangladesh Bank and Mr. Golam Kibria Secretary Ministry of Finance.

CSO: 4220

ECONOMIC COUNCIL DISCUSSES SPACE PLANS, TV

Dacca THE BANGLADESH OBSERVER in English 5 Nov 80 p 1

[Text] Bangladesh will take up a programme for the development of limited space technology for weather study and around survey for exploration and exploitation of natural resources for the speedy development of the country and benefit of the common people, says an official source.

The decision was taken at a meeting of the National Economic Council held in Dacca Tuesday with President Ziaur Rahman in the chair.

The meeting reviewed the activities of the Science and Technology Division with special reference to the production of solar cooker, bio-gas plants and sea resources.

The Council directed the Division to prepare a plan for the development of space technology.

The Council also decided that for economy in consumption of building materials like steel and for strength, prestressed steel should be used.

Colour TV

The National Economic Council meeting at Bangobhaban in Dacca Tuesday night with Dr. M.N. Huda, Presidential Adviser, in the chair, reviewed the activities of the Ministry of Information and Broadcasting.

The Council was informed that necessary steps have been taken to assemble colour television sets within the country, so that these are available when colour transmission begins next month.

The Council also reviewed the progress of implementation of previous decisions regarding the Ministry of Agriculture and Forests.

The NEC was told that the Ministry of Agriculture and Forests is taking necessary steps for increasing seed storage capacity throughout the country. The Ministry of Food will also increase the number of godowns from 334 to 1,068 for storing about six lakh tons of food the NEC was told.

CSO: 4220

BETTER UTILIZATION OF MINERAL RESOURCES URGED

Dacca THE BANGLADESH OBSERVER in English 23 Oct 80 p 3

[Editorial: "Utilising Mineral Resources"]

[Text] In the pre-liberation period there were no full-scale establishments for geological survey, oil and gas development etc. in Bangladesh. Only a few small-scale field offices were here. We had inadequate information about the geological environment but after liberation geological survey prospects of discovering economic and strategic minerals or mineral deposits became bright. A promising resource potential exists part of which is in use and the rest awaits economic evaluation and development. Investigations carried out by the Geological Survey of Bangladesh have revealed, besides gas and oil the existence of valuable mineral deposits. These include, among others, the deposits of coal in Jamalganj area, limestone in Jamalganj-Jaipurhat area, Takerghat, St. Martin's Island white clay in Bijoypur, glass sand of Shahjibazar-Noyapara in Sylhet, hard rocks in Ranipukur in Rangpur district and beach sand mineral deposits in Cox's Bazar.

According to available information the coal reserve in Jamalganj situated at a depth ranging from 2300-3100 ft. is found to be 700 million tons and the estimated reserve may be over 1000 million tons. More than a decade ago efforts were made to exploit the coal deposit but the project could not take full shape for technical and economic reasons. Jamalganj coal deposits have better economic prospects now in view of the ever increasing price of oil. Initiative has again been taken to exploit the coal through foreign collaboration and technical assistance. The feasibility of extraction is reportedly being studied as coal price has gone up manifold.

Bangladesh has also peat deposits at several places but their recovery also was considered uneconomic as they are spread over large swampy areas and their exploitation would have led to the loss of agricultural land and created other kinds of ecological imbalance. However, in the ever-deepening energy crisis exploitation of peat employing abundant and cheap manpower may be worth reconsidering as a part of peat may be used as manure in hard soil and the other part may be used as fuel.

It may be mentioned that the country depends on imports for all her need for crude oil, a part of mid-distillate petroleum products and coal. About 30,000 barrels of refined oil is consumed per day. In 1978-79 about 250,000 tons of coal were imported. There are as yet no proven reserve of gas in the western part of Bangladesh. But there exists a huge deposit of coal. Therefore, as a step towards self-sufficiency in energy, all out efforts should be made to mine Jamalganj coal.

Further, to expand the rural energy base, development of efficient technology for bio gas, solar energy and wind should be emphasized along with the development of community forests. To place emphasis on non-conventional sources of energy such as bio gas, bio mass, wind energy and solar energy, an extensive survey of rural energy demand and the supply situation should be conducted. In view of the recent developments in technology, the possibility of using natural gas as CNG for road and river transports in place of diesel should be examined. An institute of energy (both conventional and non-conventional) should be set up to carry out research and development in the energy sector and for the transfer of technology.

It is heartening that as a follow-up action of the recent visit of President Ziaur Rahman to the United Kingdom as eight-member delegation of the British Nationalised Industries Overseas Service will be visiting Bangladesh shortly to discuss investments in the public sector particularly in the fields of mining, mineral and power resources. We hope this visit would be considerably useful for better utilisation and development of our resources.

CSO: 4220

SECOND PHASE OF CANAL-DIGGING PROGRAM OPENS

Dacca THE BANGLADESH OBSERVER in English 1 Nov 80 pp 1, 12

[Text] The second chapter of canal digging programme under the first phase of peaceful revolution begins today (Saturday) with the inauguration of earth works on 50 of the 581 approved schemes for the current year, reports BSS.

Tens of thousands of people will join President Ziaur Rahman in the dig-off on the first day of the programme in four districts Dinajpur Rangpur Bogra and Tangail and millions more will continue off-again and on again till the execution of these schemes.

Many more thousands will volunteer their labour for other 16 canals beginning on Saturday in other parts of the country.

The process continues till all these schemes are excavated.

Earthworks for the remaining canals to make them deep and wide would start as soon as their physical conditions become favourable or muds in the project areas are doughened into workable clay.

Approximately one crore members of the Village Defence Party (VDP) will be among the several other crores of volunteers, students labourers, peasants teachers officials who will participate in the schemes.

Government allocation on the basis of 15 per cent of the estimated cost for these projects is five lakh maunds of wheat. The cash grant for purchasing spades and buckets and other incidental expenditure is Taka one and a half crore.

Wheat at the rate of one thousand maunds for each subdivision have already been released from the godowns of the Food Department. This allocation is meant for landless peasants and day labourers participating in the projects. Allocation of wheat per head for the poor and the landless peasants is three seers for a 70 cft of earthwork.

The Earthwork to be inaugurated by President Ziaur Rahman on the opening day will be at Chirirbandar Project at Dinajpur road side canal in Rangpur Ghaibchandibar roadside canal in Bogra and re-excavation project in Tangail.

The target of canal digging for the year under voluntary canal digging programme is 700 of which 581 canals had already been approved by the experts from Bangladesh

Water Development Board (BWDB) and Bangladesh Agriculture Development Corporation (BADC) in consultation with the district and subdivisional administrations.

The approved schemes are 106 in Dacca 17 in Chittagong 107 in Rajshahi and 21 in Khulna.

When completed the 700 canals are expected to provide irrigation coverage to 15 lakh acres of land to grow at least three crops including two paddy crops annually.

Under the 1st phase of the peaceful revolution 193 canals were dug in different parts of the country bringing six lakh acres land under irrigation facilities last year.

The canals besides providing irrigation facilities have expanded drainage system and communication network Pisciculture in the canals and plantation on the roads and embankments are the added benefit.

Sultan Ahmed Chy.

A Chittagong report adds: Sultan Ahmad Chowdhury today called upon the people to participate in the second phase of the country wide canal digging programme beginning tomorrow for increasing food production.

The BNP government headed by President Ziaur Rahman believed in the politics of production to ensure a better future for our masses he added.

Addressing a public meeting at Maizpara at South Patenga the Deputy Speaker said that the government had been making sincere efforts to make the country self-reliant in every respect. It was the responsibility of the masses to cooperate with the government endeavours to achieve the cherished national objectives.

Stressing for peace and congenial atmosphere he pointed out that it was a pre-condition for uninterrupted march of the nation towards the path of progress and development. He reminded all that violence and democracy could not co-exist under a democratic dispensation neither acts of violence could replace an elected government which came to power with the verdict of the masses he emphasised.

Mr Chowdhury urged the Opposition to demonstrate the spirit of tolerance which is the creed of democracy if they really wanted the nourishment of democracy and its full play in the country. At the same time he said that the government would welcome constructive criticism of the Opposition for the good of the nation.

CSO: 4220

INDIA, BANGLADESH SIGN RAIL TRAFFIC PACT

Dacca THE BANGLADESH OBSERVER in English 1 Nov 80 pp 1, 12

[Text] Bangladesh and India on Friday signed an agreed minutes of understanding for "facilitating inter-country and intransit rail-borne traffic" between the two countries, reports BSS.

The agreed minutes were worked out at the end of a three-day official level talks between the two countries under the perview of the joint communique concluded between two Foreign Ministers in August last and will be submitted for approval of the two Governments.

The minutes were signed by Mr A.M. Choudhury, Additional Secretary, Ministry of Railways, Roads, Highways and Road Transport and leader of the Bangladesh side and Mr. M.S. Gill, Adviser for Finance Indian Railway and leader of the seven-member Indian Railway delegation.

Under agreed minutes both sides came to an understanding to "settle the mutual problems with a spirit of co-operation and goodwill and worked out detailed procedure for facilitating inter-country and intransit traffic movements.

The working arrangements as worked out in the agreed minutes would provide more railway links between the two neighbouring countries.

The Indian Railway delegation left Dacca on Friday afternoon for New Delhi.

Members of the Indian Railway delegation at the talks were Mr M.Y. Gill, leader of the delegation, Mr K. Sahdev Indian Deputy High Commissioner to Bangladesh, Mr. Gouri Shanker, Mr. Y B L Mathur, Mr A.K. Chhabra, Mr E.F. Kabadia, and Mr A.K. Bhattacharjee.

The Bangladesh side was represented by Mr A.M. Chowdhury leader of the delegation Mr. Mahmood Hasan Member Bangladesh Railway Board, Mr Matiur Rahman, Mr R.U. Bhujyan, Mr K. Rahim, Mr. Mahboobur Rahman, Mr S. Alam, Mr Azizur Rahman and Mr N.A. Fariduddin.

CSO: 4220

CEMENT, COAL AGREEMENTS SIGNED WITH JAKARTA

Dacca THE BANGLADESH OBSERVER in English 9 Nov 80 pp 1, 12

[Text] Indonesia has agreed to resume supply of cement to Bangladesh, according to official sources on Saturday, reports BSS.

Bangladesh, under four separate contracts, will import 2.10 lakh tons of cement from Indonesia of which only 64,000 tons has been delivered. Shipment of the remaining cement has been stopped following a government ban on export of cement.

A two-member Bangladesh trade delegation led by Commerce Secretary Mr. M. Matlur Rahman held talks with Indonesian officials early this week in Jakarta during which the host side assured the delegation that Bangladesh would be given priority treatment in importing cement from that country. The delegation was also informed that the Indonesian Government had lifted the ban on export of cement.

During its stay in the Indonesian capital, the Bangladesh delegation held talks with Mr. Buntanil Arifin, Junior Minister for Cooperation, Mr. C.M. Abdul Kadir, Secretary General, Department of Trade and Cooperation and Ing Hartarto, Director General Basic Chemical Industries.

Official sources said that the Indonesian side had also agreed to expedite supply of the last consignment of 8,000 tons of coal. Bangladesh had signed a contract for purchase of 25,000 tons of coal from Indonesia back in February last of which first consignment had already reached the country. The second consignment is due this month, it was stated.

The delegation which was on a brief visit to Peking last weekend held talks with Chinese Vice-Minister for Foreign Trade, Mr. Wang Rung Sheng and reviewed progress of bilateral trade. It is also learnt that the export of rice from Bangladesh had also figured in the talks of the delegation in both Jakarta and Peking.

Earlier, last week, the delegation negotiated and concluded in Pyong Yong the third barter protocol with Democratic People's Republic of Korea (DPRK) which provided for exchange of goods worth 5.2 million pound sterling between the two countries.

CSO: 4220

BRIEFS

NEW JAPANESE ENVOY--Tokyo, Nov. 4: Mr Hirohiko Otsuka a senior diplomat has been appointed Japan's new envoy to Bangladesh, the Foreign Ministry announced today, reports APP. Mr Otsuka 53 joined the Foreign Ministry in 1950 and held such posts as councilor of the defence agency before assuming the post of councilor for foreign affairs. He will take over from Mr. Hironori Ito. [Text] [Dacca THE BANGLADESH TIMES in English 5 Nov 80 p 3]

LEBANESE PREMIER CONGRATULATED--Prime Minister Shah Azizur Rahman has sent the following message of felicitations to Mr Shafiq Al-Wazzam on his appointment as Prime Minister of Lebanon, says an official announcement. Excellency, I have learnt with great pleasure about your nomination for the high office of the Prime Minister of the Republic of Lebanon I wish to convey my heartiest felicitations to you and express sincere hope that during your term of office the fraternal relations rooted in our shared history, religion and culture will be further strengthened and consolidated to the mutual benefit of our two peoples. Please accept, Excellency, my very best wishes for your personal health and happiness and for peace progress and prosperity of the brotherly people of Lebanon. [Text] [Dacca THE BANGLADESH TIMES in English 24 Oct 80 p 1]

AMBASSADOR IN TEHRAN--Teheran, Nov. 6:--Prime Minister of Iran Mohammad Ali Rajai has expressed the desire for closer fraternal relations with Bangladesh reports BSS. Mr. Rajai was talking to the Bangladesh Ambassador here, Mr. Humayun Kabir, whom he received in his office yesterday morning. During their 45-minute talks, they reviewed the relations between the two countries and exchanged frank opinions on various issues of common interest. [Text] [Dacca THE BANGLADESH OBSERVER in English 7 Nov 80 p 1]

AMBASSADOR TO FINLAND--Mr. M.R. Ahmed Ambassador of Bangladesh presented his credentials on Friday to Dr. Urho Kalev Kekkonen, President of the Republic of Finland, reports BSS. The Ambassador conveyed the war greetings of President Ziaur Rahman to Mr. Urho Kekkonen on behalf of the President of Bangladesh. The Ambassador also congratulated the President of Finland on his 80th birthday. The President of Finland requested the Ambassador to convey his personal greetings to President Ziaur Rahman. After the presentation ceremony the Ambassador had discussion with President Kekkonen on matters of mutual interest in a friendly and cordial atmosphere. [Text] [Dacca THE BANGLADESH OBSERVER in English 7 Sep 80 p 12]

JGMU EXPELLEES NAMES--Four leaders of the Jatiya Ganamukti Union (JGMU) have been expelled from the party on charges of "betraying party's politics of opposing imperialism, social imperialism, expansionism, comprador-bureaucrat capital and feudalism" and opposing JGMU's "efforts to form one party with patriotic democratic forces". According to a Press release of the JGMU on Monday the decision was taken at a meeting of its National Committee on Sunday which was presided over by Party Chief Haji Mohammad Danesh. The expelled leaders are Messrs Abul Basar Osman Ghani, A.T.M. Nizamuddin, Vice-Presidents and Mr. Shafiqul Rahman Majumder, Assistant General Secretary. The expelled leaders were also charged with violating party discipline and 'opposing different mass movements of the Ganotantik Front. It also condemned them for "entering into alliance sometimes with the agents of the social imperialism and imperialism". The meeting also decided to hold the national council at the party in Dacca on September 23. It also coopted eight members to the national committee including Messrs Fazlul Rahman, Ataur Rahman and Harekrishna Das as Vice-Presidents. [Text] [Dacca THE BANGLADESH TIMES in English 9 Sep 80 p 8]

EXPORT EARNINGS REPORTED--The country's export earning during the first quarter of the current fiscal year has exceeded over Taka 286 crore, the National Economic Council was told in a meeting on Friday, reports BSS. The NEC met under the chairmanship of President Ziaur Rahman reviewed the export performance of the country during the period from July to September 1980. The export earning during the corresponding period of last year was Taka 190 crore. The Council directed the Commerce Ministry to examine the possibility of raising their target of export to Taka 1750 crore. The export target for the current fiscal year was earlier fixed at Taka 1500 crore. The National Economic Council also directed the Commerce Ministry to ensure the distribution of baby food, sugar and other essential commodities at fair price. The Council was informed that the Ministry was contacting the municipalities to open sale centres of essential commodities. [Text] [Dacca THE BANGLADESH OBSERVER in English 1 Nov 80 p 1]

GREETINGS TO ALGERIA--President Ziaur Rahman has sent the following message of greetings to President Chadli Benjedid of Algeria on the occasion of the 26th anniversary of the Revolution of Algeria. On behalf of the Government and the people of Bangladesh and on my own behalf I extend to Your Excellency, the Government and the people of the Democratic and Popular Republic of Algeria our warmest greetings and felicitations on the happy occasion of the 26th anniversary of the Revolution Day of the Democratic and Popular Republic of Algeria. It is our fervent hope that the bonds of friendship and cooperation which so happily exist between our two fraternal countries will be further consolidated and strengthened in [words illegible] I take this opportunity to convey my very best wishes for Your Excellency's personal health and happiness and for the continued peace, progress and prosperity of the great people of Algeria. [Text] [Dacca THE BANGLADESH OBSERVER in English 1 Nov 80 p 1]

BUDDHIST IDEALS EXTOLLED--Chittagong, Oct. 31:--Mr Abul Kashem, Minister of State for Youth Development today called upon the youths of the Buddhist community to imbibe with the true ideals of Buddha and Bangladeshi nationalism and to contribute their mite towards national development, reports BSS. Speaking as chief guest at a national convention of Buddhist youths held at Kapasgola Naba Pandit Bihar here this afternoon, he pointed out that all communities in Bangladesh are ensured of full freedom to practice and promote their faith that they can also equally contribute their part in national development activities. The convention presided over by Prof. Bidhan Prasad Barua, Chairman, Bangladesh Buddhist Youth Convention Preparatory Committee was inaugurated by Bishuda Nanda Mahathero, President of Bangladesh Buddha Kriehi Prachar Sangha and addressed, among others by Amalendu Bikash Barua and Prof Tarun Kanti Barua both of Buddhist youth leaders. Buddhist youth representatives from different districts were present at the convention. [Text] [Dacca THE BANGLADESH OBSERVER in English 1 Nov 80 p 12]

PLEA TO EEC--The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) on Tuesday urged the European Economic Community (EEC) to give special treatment to Bangladesh for promotion of trade and joint ventures in export-oriented industries, reports BSS. Mr. Iftekharul Alam President of FBCCI, told the visiting EEC Consultant, Mr Ing Dieter Kuchen at a meeting in Dacca on Tuesday that there should be more dissemination of information on the Generalised System of Preference (GSP) to help the exporters of the least Developed Countries like Bangladesh. Mr Kuchen is on a visit to Bangladesh for promotion of trade between the Community and Bangladesh. During the meeting, he exchanged ideas on prospective sectors of trade cooperation and promotion of joint ventures. [Text] [Dacca THE BANGLADESH OBSERVER in English 10 Sep 80 p 8]

SCIENTIFIC ACTION PLAN--Prof. N.A. Khan, Chairman Bangladesh Council of Scientific and Industrial Research (BCSIR), at a meeting attended by over 800 scientists, officers and staff of BCSIR recently outlined the proposed scientific national action programme. The national action programme, he explained, was to aim at giving the national scientific research activities an industrial slant in accordance with the actual national needs. The National Action Programme (NAP) proposes among other things, 10 per cent industry-biased fundamental work, turning out of stimulated expertise for industrial needs, stress on agro-based and cottage industries etc. [Text] [Dacca THE BANGLADESH TIMES in English 7 Sep 80 p 12]

FREIGHTER FLANT CREDIT--A deal for the supply of a 13500 dwt cargo ship to Bangladesh Shipping Corporation under French credit has after long last been finalised. A contract between BSC and French shipyard SNACH was signed on August 30. The ship--fifth new ship for BSC--is expected join its fleet by the middle 1982, increasing the number of BSC's ship to 27. It is learnt that the finalisation was not a plain sailing. On two occasions--first during fixation of price and the second during finalisation of deal--efforts were made to influence the deal by "some interested quarters in BSC". At the time of fixation of price efforts were allegedly made to raise the price of the ship at more than 90 million French franc (about 15 million US dollar), the amount of French credit for the purpose and again during the finalisation of contract, efforts were made to change the specification of engine and some other machinery by deviating from the tender specification and without lowering the price. On both the occasion the Ministry had to intervene. It has been claimed that the interventions resulted in lowering the price of ship at 90 million franc and also acceptance by the supplier of the quoted specification of engine and other machinery. Moreover, due to the decision of the Finance Ministry to pass on the grant element of about 30 per cent of the credit to BSC, the corporation now acquire the ship real price of about 13 million dollar. [Text] [Dacca THE BANGLADESH TIMES in English 7 Sep 80 p 12]

GAS CONSULTANCY AGREEMENT--A consultancy agreement was signed on [words illegible] between Bakhrabad [word illegible] Limited and a consortium of international pipeline and hydrocarbon technologists, reports BSS. Under the agreement, the consultants will provide advisory services for developing the Bakhrabad gas field and constructing the proposed Bakhrabad-Chittagong Gas Pipeline Project. The Consultancy Consortium includes Pipeline Technologists Limited of U.S.A. and U.K. and Hydrocarbon Consultants Limited of Bangladesh. The Bakhrabad-Chittagong Gas Pipeline Project includes construction of a 24-inch transmission line to Chittagong a distance of about 110 miles and distribution lines to industrial zones of Chittagong city and its suburbs. The proposed transmission line will also provide gas supply to Comilla, Chandpur, Lakshm and Feni. The World Bank and the Organisation of Petroleum Exporting Countries (OPEC) will finance the project which is expected to be completed by mid-1982. [Text] [Dacca THE BANGLADESH OBSERVER in English 4 Nov 80 p 12]

PETROLEUM CORPORATION CHAIRMAN--Mr Nasimuddin Ahmed has taken over as the Chairman of Bangladesh Petroleum Corporation (BPC), a Press release of the corporation said in Dacca Sunday, reports BSS. Mr Ahmed had earlier served as the Joint Secretary in the Ministry of Home Affairs. [Text] [Dacca THE BANGLADESH OBSERVER in English 10 Nov 80 p 12]

COTTON YARN IMPORTS--Mr. M.A. Ashraf, President Specialised Textiles Mills and Powerloom Industries Association urged the Government on Sunday to allow the recognised factories of the country free import of cotton yarn from 20 counts to 80 counts. The Bangladesh Textile Mills Corporation (BTMC) can supply only 30 per cent of the requirements of yarn of the specialised textiles, powerlooms and handloom factories of the country, he said. Mr. Ashraf told this at a Press conference held at a local hotel on the day. There are about 4.37 lakh looms in the country of which only 2.59 lakh are in order, the rest are out of order, he said. If all the looms of the country were run, there would have been no shortage of cloth in the country, he pointed out. Besides, at least 18 lakh people of the country would find their employment with it either directly or indirectly, he maintained. The Bangladesh Textile Mills Corporation (BTMC) has been supplying about 30 per cent of the requirements of the specialised textile, power looms and handlooms, the President of the Association said. The tax on the yarn imported under Wage Earners Scheme is also very high, he said. While appreciating the Government announcement of setting up of textile mills in the private sectors, he urged the Government to return the nationalised textile mills to the Bangladeshi owners and to run other nationalised textile mills as separate units. He also urged the Government to withdraw tax from yarn including synthetic yarn, dye, chemicals etc. to protect and help grow the local industries, he said. [Text] [Dacca THE BANGLADESH OBSERVER in English 8 Sep 80 p 12]

CSO: 4220

PLANNING MINISTER REPORTS ON VISIT TO MOSCOW

Calcutta THE STATESMAN in English 31 Oct 80 p 9

[Text] New Delhi, Oct. 30.--Indo-Soviet collaboration during the Sixth Plan period, to be worth about Rs 6,500 crores, will cover a wide range of projects that are to be finalized shortly.

Apart from the Rs 2,500-crore, 1.2 million-ton integrated steel plant at Virakhapatnam the agreement on which has already been signed, the new projects include the expansion of the Bhilai and Bokharo plants to five million tons each and the establishment of an alumina-cum-aluminium complex at Andhra, with a capacity of 600,000 tons to 800,000 tons.

This was announced today by Mr Narayan Dutt Tiwari, Minister for Planning and Deputy Chairman of the Planning Commission, on his return from a week's visit to Russia. Mr Tiwari said working groups held talks on each of the sectors to decide on various details of the projects, their implementation and financing.

The other projects include a new super thermal power plant at Wydhan in Madhya Pradesh, near the super thermal power plant at Singrauli, the development of new coal mines at Jhangra--to yield an annual production of 2.8 million tons--the modernization of the coal mines at Jharia to yield 12 million tons a year and the supply of new coal mining technology.

Proposals to increase crude supplies from Russia from the existing 1.5 million tons annually to 2.5 million tons next year, and eventually to four million tons a year were also discussed. It was also proposed to increase the supply of petroleum products (kerosene and diesel) from the existing 1.5 million tons to 3.5 million tons a year.

Other collaboration arrangements discussed by Mr Tiwari in Moscow included geological prospecting in Madhya Pradesh, the transfer of technology to reduce electricity transmission losses, lining of irrigation canals, a new 2.5 million-ton bauxite mine along the Eastern coast, a canning and food processing plant and the speeding up of oil explorations in Tripura and West Bengal.

Mr Tiwari also discussed whether India could take advantage of the coal liquification plant being set up jointly by the Russians and the West Germans. This is meant to produce oil from coal and India was keen to acquire the technology for this.

The next meeting of the Indo-Soviet Joint Commission is to be held from November 19 and it is expected that further discussions, possibly leading to concrete agreements, will be held on all these sectors. Some of the agreements could be signed when Mr Brezhnev visits India in December or January. (He has already accepted the invitation to visit India)

Visits are also expected by the Gosplan (Soviet Planning Commission) chief, Mr. Baikakov, in February or March. Mr Tiwari has also invited the Indo-Soviet planning group to hold discussions here in December or January.

The agreement, which discusses "production cooperation" and the methodology of planning, was signed in 1973. No meeting has, however, been held since 1978, despite another agreement between Mr Morarji Desai and Mr Kosygin. One of the purposes of Mr Tiwari's visit to Moscow was to seek the revival of the study group.

CSO: 4220

INTERMENT THREAT TO SHEIKH ABDULLAH

Lahore THE PAKISTAN TIMES in English 19 Nov 80 p 10

[Text]

SIALKOT, Nov. 18: According to a report published in the popular Weekly "Srinagar Express", Sardar Zail Singh, the Indian Interior Minister, has threatened Sheikh Mohammad Abdullah with internment on the basis of the latter's misguided policies.

He vehemently declared that the Sheikh has markedly failed in maintaining complete poise in the held Valley. This was due to the fact, the Weekly added, that, on the one hand, Sheikh Abdullah indirectly encouraged the J. Sangh elements in the occupied State and, on the other, he gave an unprecedented filip to the implementation of policies of the Jamaat-Islami. "His intention is to create cleavage or a chasm in the Valley so as to encourage the unruly power to run amok", the Weekly added.

Mr. Zail Singh further alleged that Sheikh Abdullah was going to undo the democratic set-up of the Valley by turning democracy into hegemony whereby only his close associates and relatives should hold sway. It was further alleged that these days the Sheikh was doing his utmost to make his son Farooq Abdullah his successor in the Valley, while there were efforts afoot reportedly to instal the Sheikh's son-in-law Ghulam Mohammad, as the future Prime Minister of the occupied State. The tug-of-war is being

vigorously waged and only the future will tell which way the wind blows.

According to another report reaching here from across the Cease-fire Line, doctors' strike continued for the fourth day yesterday in Srinagar and doctors of medical colleges and Associates and Assistant Professors of the adjoining hospitals also joined the strikers.

Meanwhile, students of all the colleges in Srinagar have demanded safety of lives of doctors and early acceptance of their demands. They threatened that if the doctors' demands were not met forthwith, they would also join the strikers.

The report added that the police has arrested a contractor on the charge of assaulting doctors on Saturday night when they were on duty. The doctors also demanded arrest of the police officials who lathi-charged doctors for no fault of theirs as a result of which five doctors were injured.

PRIVATE SECTOR FIRM RAISES FOREIGN LOANS

Calcutta THE STATESMAN in English 31 Oct 80 p 16

[Text] Bombay, Oct. 30.--The Tata Iron and Steel Company has been able to raise the largest amount of foreign exchange from various sources in the international capital markets for financing its modernization programme.

This is the first time that a private sector Indian industrial company has been able to do so for a project in India. The foreign exchange financing, totalling Rs 56 crores, supports the planned Rs 210-crore modernization programme of the company.

The company's chairman, Mr J. R. D. Tata, is signing Washington today an agreement for a \$38 million loan with the International Finance Corporation, the World Bank affiliate that assists private enterprise ventures in developing countries.

The IFC will hold \$18 million in its own account and has arranged a \$20 million syndication of the balance with five international commercial banks. The balance of the foreign exchange is secured by the UK under the special favourable terms, with low interest and extended repayment, made available under the British Government's Export Credits Guarantee Department's scheme for financing British exports.

Mr N.A. Palkhivala, deputy chairman of the company, said here today that the foreign exchange borrowing plan was unique on three counts. This was the first time that an Indian manufacturing company had put together a number of different sources to secure such a large loan. Secondly, international commercial banks which had never lent in India had participated in this venture. These banks were being introduced to India for the first time Mr Palkhivala said. The third unique feature was that the company had been able raise these loans without any guarantee from the Government of India. This showed the maturity of the Indian industry, he felt. The programme was a pioneering effort, he added.

The Tata Steel's modernization programme will replace two of the three open-hearth steel-making shops with a 1.1 million metric tons a year basic oxygen steelmaking facility. It also involves installation of a 340,000 tons a year continuous billet casting machine, a vacuum degassing unit for secondary refining steel, a bar forging facility for special quality steel, an oxygen plant, a refractory plant and other ancillary facilities.

The project would improve plant efficiencies, saving nearly 65,000 tons of fuel a year, reduce costs and increases output by 190,000 tons a year. The project will be complete by early 1983 and would result in foreign exchange saving worth \$53 million a year.

TRADE UNIONS CONGRESS HOLDS 31ST SESSION

Dange Press Conference

New Delhi PATRIOT in English 29 Oct 80 p 4

[Text] Mirajkarnagar. Visakhapatnam, Oct. 28 AITUC president S A Dange has categorically refuted all rumours of a split in the organisation as are being circulated in a section of the press.

Mr Dange, who is presiding over the 31st session of the AITUC here, told newsmen "The press has its own reasons to predict a split in the AITUC. In this conference there is not even talk of a split."

Asked if the CPM was trying to engineer the split, the octagerarian trade union leader in the country, replied "The CPM has nothing to do with it" The CPI-M cannot influence any of our decisions."

He clarified that his difference with those persons "who want to merge or have an alliance with the CP-Ms trade union wing" was that he stood for an alliance with all trade unions on specific points of struggle".

He agreed that the AITUC had closer ties with all trade unions advocating class struggle but pointed out that this did not restrict the AITUC perspective of broad-based trade union unity.

The Visakhapatnam session, he underscored, would highlight such issues as defence of wages, encroachment upon trade union rights as well as enforcement of the demand for workers' participation in management.

Asked about his reaction to the imposition of the National Security Ordinance, he said, "They (the Govt.) wanted to prevent strikes during the emergency too but could they prevent it? Workers are not bothered about their ordinance," Then he added: "I don't take it fully as granted that it will be used against the working class if the Government is wise enough to see the situation."

He further reiterated that the CPI had not tailed behind anyone at any stage as was being projected. "We never put a ban on strikes in emergency" he added.

His attitude towards Mrs Gandhi's Government, he said, was one of quote selective support." Asked if the CPM was also following the same policy as reflected in its support to Mrs Gandhi's line on Assam, Mr Dange snapped "that is not support. It is taking her support to live."

He criticised the Left Front Government of West Bengal for not nationalising the jute industry and not taking steps to convert walking rickshawallas into cycle rickshawallas.

In Kerala, too he felt the State Government had a lot to do with regard to cashew factories where thousands of women are exploited.

"To come to power and yet retain your idealism you have to go to Lenin." For that Mao does not help", he remarked

With the CPM his main difference was on China which "has gone properly the Mongol way with Genghis Khan resurrected in Mao.

As for the CPM's criticism of China, Mr Dange said it was all aimed at extracting China's support to the party. He said there was no question of his leaving the CPI, especially when it was he who had written "Gandhi versus Lenin" in 1920--five years before the CPI was born.

He clearly pointed out that he had no relation or contacts with the All-India Communist Party. Asked for his comments on the AICP claim that it was toeing Mr Dange's political line, he smiled and said 'very well', then let them join my party--the CPI".

He further explained that the recent bandh in Maharashtra had his full support. "I am for all bandhs", he added.

Foreign Delegates Attend

New Delhi PATRIOT in English 29 Oct 80 p 4

[Text] Visakhapatnam, Oct 28. With the arrival here of two fraternal delegates from Bangladesh and Australia yesterday, 33 foreign representatives from 12 countries are attending the AITUC 31st session.

Besides them, there is the deputy general secretary of the World Federation of Trade Unions Ibrahim Zakaria, who was the first to greet the conference on its opening day last Sunday. He also presented a special WFTC medal to AITUC president S A Dange in recognition of his commendable since for the cause of the working people across the globe.

Leaders of fraternal delegations at the conference are secretary of All Union Central Council of Trade Unions of the USSR, WR Bogendev member of the Central Council of Trade Unions of Afghanistan Fazal Amad Chakhansory, National Secretary of Association TUC Pranderson, secretary of the Bangladesh Trade Union Centre Nurul Islam, secretary of the Central Council of Bulgarian Trade Unions Peter Braykov, secretary of the Central Council of Czechoslovak Trade Unions Jirina Vesela, secretary of the Confederation of Free German Trade Unions Fritz Roesel, head of the international department of the Central Council of Hungarian Trade Unions Karoly Szlovataik, secretary of the Organisational Department of the Trade Union of National Salvation of Kmpuchea Chan Vanny, member of the Central Council of Mongolian Trade Unions G E Lenkhueu, secretary of the General Federation of Trade Unions of the Socialist Republic of Vietnam Tranh Anh Lien and member of the presidency of the Central Council of Confederation of Yugoslav Trade Unions Janos Sredar.

These delegations were introduced to the 3,000 delegates of the AITUC unions at the conference on the inaugural day by the organisations general secretary K G Srivastava. So far leaders of the Soviet Czechoslovak and Hungarian delegations have formally greeted the conference lauding the AITUC's signal contribution to the development of the working class movement in the country and its unwavering loyalty to proletarian internationalism.

Among leaders of national organisations to greet the conference were All India Kisan Sabha president Z A Ahmed, Bharatiya Khet Mazdoor union president Yellenda Reddy, National Federation of Indian Women representative Mrs Sarta Devi, Supreme Court advocate R K Garg (on behalf of GIC employees) apart from Bharatiya Mazdoor Sangh representative Chate Messages have been received from Prime Minister Indira Gandhi, Andhra Chief Minister T Anjaiah (National Labour Organisation Secretary N M Barot, Hind Mazdoor Sabha general secretary Dr Shanti Patel, General Insurance Employees All-India association general secretary K S B Pillai, UTUC-Lenin Sarani general secretary Pritish Chanda, All India LIC Employees Federation general secretary P P Patil.

CSO: 4220

EXPORT PROSPECTS FOR ENGINEERING PRODUCTS ON INCREASE

New Delhi PATRIOT in English 29 Oct 80 p 5

[Text] Bangalore, Oct 28 (PTI) Export of engineering goods from India during the current year is expected to cross the targeted Rs 915 crore, Mr G.D. Shah, Chairman Engineering Export Promotion Council said here yesterday.

Mr Shah told newsmen that, his optimism was based on the export performance in the first half of this year when a growth of 30 per cent was registered over corresponding period last year. He said the country had exported engineering goods worth Rs 324 crore during the first six months as against Rs 250 crore during the corresponding period last year.

Usually, the export pattern in the past was a better performance in the second half of the year than the first. But even if this year's 30 per cent growth rate achieved in the first half was maintained in the second half, he said, the target would be crossed.

Mr Shah said the recent creation of a cabinet committee on exports under the Chairmanship of Prime Minister Indira Gandhi had generated a sense of confidence among exporters and they were going all out to secure contracts.

Referring to the current Iraq-Iran conflict, Mr Shah said, it would 'momentarily' affect Indian exports to those countries. But once the war was over, he hoped there would be tremendous demand for building construction, machine tools and consumer goods and India could, take up those contracts. Indian exporters had on hand contracts worth Rs 70 crore with these two oil-rich countries.

He said the council had drawn up a plan to increase the exports to about Rs 10,000 crore by 1990-91. The achievement of this goal, he said, was dependent on the improvement of infra-structural facilities and expansion of production capacity.

Mr Shah said, the Centre's decision to treat 100 per cent export-oriented units on the same basis as 'free trade units' would help increase exports a great deal.

CSO: 4270

INVESTMENT TARGET EXCEEDED BY 39 PERCENT

Karachi DAWN in English 27 Nov 80 p 6

[Text]

Private sector's investment has exceeded Government's contribution for this purpose during the last two fiscal years have already exceeded by 39 per cent over the investment target fixed for 1978-79 and 1979-80 in the current fifth Five-Year Plan.

Official sources said that Government has approved total investment of Rs 16,938 million during the last two fiscal years against target of Rs 7,800 million for 1978-79 and 1979-80, provided in the current five-year plan.

They said the Government has fixed a total investment target of Rs 13,600 million for private sector in the current Five-Year Plan of 1978-79 to 1982-83.

The sources said investment in certain sectors like non-metallic minerals, paper and pulp, hotels and electrical machinery has shown such a remarkable improvement that in last two fiscal years it has even exceeded the targets fixed for those sectors in the entire Five-Year Plan.

As for many other sectors like food and beverages, textiles, leather items, rubber products, and chemicals, fertilizer and petrochemicals investments approved by Government during the last two years have either exceeded or is nearing plan targets of 1978-79 and 1979-80.

However, investment in some sectors like basic metals, non-electrical machinery, electronics and transport have fallen substantially short of targets provided for them for first two years period of the plan.

Giving details, the sources said during the last two fiscal government approved investment of Rs 4,828 million in non-metallic

mineral sector against 1981 plan target of Rs 2,700 million, Rs 478 million in paper and pulp sector against plan target of Rs 300 million, Rs 960 million in

electrical machinery sector against 1981 plan target of Rs 770 million and a sum of Rs 300 million in hotels.

Investments sanctioned for textiles in 1978-79 and 1979-80 amounted to Rs 1,700 million which reflect 88 per cent of two years target achievement of plan, Rs 1,440 million in chemicals, fertilizers and petrochemicals sector which indicates 64 per cent achievement of target, Rs 600 million in food and beverages sector which shows 70 per cent of target completion.

Target achievements for the last two years in other sectors are leather and leather items 24 per cent, basic metals 25 per cent, non-electrical machinery 23 per cent, electronics 13 per cent and transport 10 per cent—UPI.

INDUS BASIN HAS HUGE OIL DEPOSITS

Karachi DAWN in English 26 Nov 89 p 6

[Text]

LONDON, Nov. 26: The Indus basin of Pakistan has a huge oil potential and some estimates put the reserves at 4 billion barrels of oil.

According to estimates by foreign geologists, the sedimentary basins of the Indus and Baluchistan together have potential reserves of 11 billion barrels. Offshore oil reserves along the Makran coast are estimated at 1.2 billion barrels.

So far a total of 178 wells have been drilled with a strike rate of 30 per cent, though most of these have yielded gas rather than oil.

These geologists said drilling in Pakistan had been hampered by the high underground pressure exerted by gas and water and the unwillingness of explorers to sink deep wells which may by now have problems.

Meanwhile, Dr. Armand Hammar, chief of chief of Occidental Oil Company which signed an agreement to explore for oil in Pothohar region, has described oil exploration in Pakistan as "discouraging" and said the low percentage of oil so far was the result of drilling being confined to areas which were too shallow.

According to estimates local oil production will rise from the present 10,000 barrels a day to 20,000 barrels a day by 1991, as newly discovered fields come into operation and existing ones are expanded.

Pakistan Government is determined to become self-sufficient not only in oil production, but also in refining. The three oil refineries — two at Karachi and one at Rawalpindi — will have their total refining capacity of 4.8 million tonnes a year raised to 17 million tonnes by 1995. By that time the Government hopes to be

exporting petroleum products worth around 100 million dollars a year.

A new liquefied petroleum gas (LPG) plant is being built at Mirpur at a cost of 100 million dollars and is scheduled to be completed by 1991. It will produce 10,000 tonnes of LPG a year. Already 25,000 tonnes of LPG are being produced by other refineries in the country.

The geologists say that Pakistan was the fourth largest gas producer in South Asia. It produced 181 million cubic metres last year. Its gas reserves are estimated at 310 billion cubic metres and there are 13 gas fields operating at present, the largest being the one at Sui in Baluchistan, which alone provides 31.5 million cubic metres of gas a day.

About 75 per cent of Pakistan's industrial development now depends on gas as a source of energy and it is the main domestic fuel in its urban centres. Gas turbines generate the bulk of the country's electricity.

But in spite of this Pakistan's oil bill last year amounted to a staggering 3.3 billion dollars, equivalent to 80 per cent of the country's export earnings. Oil provides only one-third of Pakistan's energy needs but its requirements are increasing at about 10 per cent a year. — PPI

FARMERS' UNREST MAY SPREAD IN INDIA

Karachi DAWN in English 27 Nov 80 p 1

[Text] NEW DELHI, Nov 26: A fast-called police encounter during yesterday's farmers agitation in Maharashtra for higher prices of agriculture produce is likely to spread to other parts of India. All educational institutions in the city have been closed till with a move announced by various farmers' organisations to give it an all India shape.

ASSAM INCIDENTS

Representatives of farmers organisations have decided to form an all India front and to launch a nation-wide agitation to demand parity in prices between agricultural and non-agricultural goods.

Five farmers organisations namely the All India Kisan Sammelan, the All India Kisan Union, the All India Kisan Parishad Samiti, the Farmers Federation of India and the Agriculturists Association of Tamil Nadu, have already associated themselves with the move.

POLICE FIRING

Police fired five rounds to disperse student demonstrators who set fire to a government jeep in Shimoga. All India Radio reported tonight.

Seventeen persons were taken into custody when unruly student demonstrators resorted to arson and looting, the Radio said.

They were protesting what they

The death toll in the violent incidents in the Indian State of Assam since Monday has gone upto eight, the adviser to the State Governor, Mr Rana Murti, told newsmen in Gauhati, according to A.P.

He said that police today dispersed a group of people who attempted to proceed towards the curfew bound areas of Diphu.

Six persons have been arrested in this connection, he added.—
APP-PPL

BRIEFS

GENERAL SWAROOP PROMOTED--Major General D Swaroop, Chief Controller of Research and Development, Department of Defence Research, in the Ministry of Defence, has been promoted to the rank of Lieutenant General with effect from Monday, reports PTI. Born in 1926, General Swaroop was commissioned, in the Corps of Electrical and Mechanical Engineers in 1947, says an official release. He is at present chairman of Hindustan Computers Ltd. and a Director of U.P. Electronics Corporation besides doing his normal work in the Defence Research and Development Organisation. For his outstanding contribution, towards achieving self-sufficiency in defence production. General Swaroop was awarded the Ati Vishisht Seva Medal in 1971. [Text] [New Delhi PATRIOT in English 29 Oct 80 p 5]

ARMY CHIEF OF STAFF--Kathmandu, Oct 28 (UNI)--General O.P. Malhotra, Indian Chief of Army Staff, will be made honorary general in Royal Nepal Army by King Birendra at a special investiture on Wednesday, it is learnt. Gen Malhotra and Mrs Saroj Malhotra were given a warm welcome by Indian Ambassador Narendra Jain and Nepalese Chief of Staff S. B. Shaha when they arrived here earlier yesterday morning on a five-day official visit at the invitation of the Nepalese Chief of Staff. Gen Malhotra paid courtesy calls on Prime Minister S. B. Thapa and the Defence Minister yesterday. An ex-servicemen's rally is being organised in Pokhara town on Friday in honour of the visiting general, who will also inspect progress on the pension payment office complex being built there by Indian army at a cost of over Rs one crore. [Text] [New Delhi PATRIOT in English 29 Oct 80 p 3]

CENSUS LACKS LANGUAGE COUNT--New Delhi, Nov. 17: The new forms being issued by the census officials of Indian Government for the 1981 census do not carry any columns recording the religion or language of any individual. Expressing concern over the nature of forms, the President of the Uttar Pradesh Muslim Majlis, Mr. Asad Hussain, in a press statement has said this is an attempt to show the non-existence of religious and linguistic minorities in India. Unless the religions and languages of the minorities were recorded, they could not assert their rights guaranteed to them under the Constitution. Mr. Hussain charged Mrs. Indira Gandhi with giving practical shape to fanatical Balraj Madhok's slogan of "Indianisation of Muslims."--APP [Text] [Lahore THE PAKISTAN TIMES in English 18 Nov 80 p 1]

BIOGRAPHY OF BRIGADIER GENERAL DJUKARDI ODANG

Jakarta KOMPAS in Indonesian 5 Oct 80 pp 1, 12

[Article: "Dr Djukardi Odang"]

[Text] "Hey, you, where are you going?" This was the greeting of an Army corporal when he saw a visitor all dressed in civilian clothes and tie entering the office building of Army Headquarters (MBAD). The visitor's eyes opened in astonishment at being addressed as "you." Called back by the corporal he was ordered to leave the headquarters building. On the street outside the visitor in civilian clothes met an Army captain who saluted and called him, "General." It was only then that the corporal learned, half-growling to himself, that the guest he was escorting was in the Army and was a general, moreover.

The guest, who did not look like an indigenous Indonesian, had slanted eyes and looked like a Chinese, had yellow skin, and needed a haircut. His name is Dr Djukardi Odang, 52 years old and a brigadier general since April, 1975, who has not had the formal training for that rank (staff and command school). "Line up, just line up, I forgot," the corporal said politely to the guard of honor.

Djukardi Odang, still on active military duty, is not yet an MPP or a pensioner. Because his duty assignment is not in the Ministry of Defense and Security, but he is rather assigned as president-director of the firm, Panca Niaga, on a daily basis he rarely wears military uniform. However, so that he will not again be challenged by those of subordinate rank, Djukardi Odang tries to wear military uniform when he enters the Ministry of Defense and Security. The only difficulty is that whenever he meets another soldier, he must be ready for an exchange of military courtesy, bringing his right hand up to his right eyebrow, either to extend the courtesy or to return it. He says with amusement, "So it is difficult. If I'm in civilian clothes, I am considered Chinese. If I am in uniform, my hand gets tired."

For Djukardi Odang, taking off military uniform because he is assigned to direct a state-owned business firm has its own life style. "Since I came to the Panca Niaga firm, I have really tried to leave my military training behind. If I have a military attitude, and especially that of a general, I will be too stiff. Because of the command system, with all kinds of adjutants." As the first step Djukardi Odang tried physically to take off his military uniform when he was in a civilian context. He also hopes that other military personnel similarly assigned will do the same.

Besides that Djukardi Odang also says that since he entered the Panca Niaga firm in 1966, or 14 years ago, with 3 years still to go since his assignment has been extended, he has had the principle of not bringing the armed forces into his work. "And thank God I haven't brought the military into it up to now," he says with the energy of a Jakarta man. "Of the five directors and 10 deputy directors at Panca Niaga, only 1, Odang, am a military man," he adds. His desire not to bring the military outlook into a civilian enterprise also shows in his view of his replacement in the management of Panca Niaga, should he be brought back to the Ministry of Defense and Security from his present position. At present Panca Niaga is trying to prepare replacement management with the formation of a group of deputy directors. "Because there will be an uprising if I don't prepare my own replacement," he says. And indeed President/Director Djukardi Odang is the one who later on will have to come to the government and speak like a shareholder, saying, "This one is the best replacement." However this may be finally it will be the government which will decide whether the candidate recommended by the president/director is approved or not.

When Djukardi Odang was originally assigned to manage Panca Niaga, there were indeed certain direct duties assigned. He was to protect the firm from infiltration by a political party at the time and to protect the firm from business uncertainties. He has done these things well. Remaining debt, which totaled 5 billion rupiah, has been disposed of. Indeed, at present the turnover of the Panca Niaga group has reached 100 billion rupiah per year, and the group has brought into the state treasury at least 500 million rupiah per month.

Performing a task in a way which is described as well-done of course has not meant moving along a level and smoothly-paved road. Rather it was done to the accompaniment of tears from the families of the workers who had to be dismissed in the interests of the well-being of the company. Of the nearly 2000 workers at the time of the reduction in force there only remained 450 to carry the company to the present level, a level desired by the government: strong and profitable.

Now, with the progress made by Panca Niaga, the road towards the point of change in the management is easier. Further, with the availability of directors and deputy directors, all of them civilians, it is now proper for Panca Niaga to be managed in the future by non-military figures, and on a permanent basis. It is the government, as the owner of the shares in the company, which will decide whether the company must still be managed by a military figure or by a civilian.

"I think myself that if it is a military figure who will continue to be the principal figure in the management of the company, the persons to be chosen should be those of high quality. That means professional military men who know the complex aspects of business," says Odang. Therefore, he added further, it should not be on the basis of just dropping someone into the management, because when he turns out not to be qualified, it will be the government or the Ministry of Defense and Security which will feel ashamed at the choice.

Rashneat

He was born in Leles, regency of Garut, West Java, on 8 June 1928 and, as was appropriate, he is the son of a government official. Djukardi Odang rarely left his house. He played mainly with friends in the neighborhood. However, because

his father, who was mayor of Bogor at the time, joined in the struggle against the Dutch, the private life of the father affected his children. Further, after his father and younger brother were sent to prison by the Dutch, his wish to join in the struggle against the Dutch exploded. However, he also was aware that getting an education was also important for his own development. For that reason in 1947, or at the time he was still in senior high school in Bandung he joined the West Java Student Army [Tentara Pelajar Jawa Barat].

For the time being Djukardi Odang had to be satisfied with just carrying around a portion of the Indonesian flag, while he attended junior high school in Bogor, Lenteng Agung, and the areas around Jakarta at that time. "An acquaintance later made fun of me--called me a sissy, a cry baby, and other things--because I did not join in the fighting," Odang said.

It turned out that this experience awakened his feelings of wishing to become an officer. So he played hooky from home. When lessons at school were over, he did not go directly home but joined in the independence struggle as a child. For example, he cleaned weapons or polished the shoes of the soldiers fighting for independence. "So I must admit that I entered the independence struggle in a reckless way. I was shamed into it by my friends and I had no intention at all of becoming a soldier as I am now," he said.

As he was still young and small, barely 16 years old, at the various clashes with the Dutch Djukardi Odang was never permitted to go up to the front line. Usually, he was assigned the duty of guarding the food and weapons behind the line. "Guarding the logistics is important, right? So that was the name of what I was doing in the struggle, my friend," said Djukardi Odang, laughing.

After the period of the physical struggle was over, Djukardi Odang, who had graduated from senior high school in Bandung, returned to Jakarta. His activity as a member of the Student Army, his facility in speaking Dutch, and his educational background as a graduate of senior high school made it possible for him to obtain the rank of acting lieutenant. He was later persuaded by his older brother, who was really a doctor, to work in the Central Army Hospital in Jakarta. His ability to speak Dutch also made it easy for him to obtain a job there. While there he was assigned to help out in the administration of hospital equipment, beginning with the food and including the beds. In fact, he carefully studied the orderly type of Dutch administration when he was working at the Central Army Hospital. Thus, his administrative experience has left its mark up to the present.

In the evenings, while on picket duty, he studied law. He read books on legal questions. In fact the director of the Central Army Hospital at the time, Prof Satrio (now the director of the Indonesian Red Cross), saw him studying and urged him to carry on his courses at the Faculty of Law and enter the Student Armed Forces [Pelajar Angkatan Perang] organization, so that later he would become an officer assigned to duty as a student. He accepted this advice willingly, and in 1951, with a letter from the minister of defense, Djukardi Odang was appointed an armed forces student at the Faculty of Law in Jakarta. He continued his studies at the Faculty of Law of the University of Indonesia and graduated in 1956.

Because of his success in this effort he transferred his efforts to Army Headquarters. Also in 1956, he was promoted in rank twice. He became a second lieutenant on 25 April 1956 and a first lieutenant on 10 December 1956.

After he was promoted to captain in 1957, his work changed increasingly to the non-military sphere. For example, he was secretary of the Body for the Nationalization of Dutch Enterprises and secretary of the minister of production. Before being appointed president/director of Panca Niaga in 1966 with the rank of major Djukardi Odang was appointed to work at the Central Trading Company [a government firm] in Singapore and Hamburg. "From the time I became a major and was appointed as president/director of Panca Niaga, my life in the state business world began," he says.

It Left an Impression

There is a story which he thinks will leave an impression during the rest of his life. He was investigating the case of Mrs Fatmawati, the first lady of the country at the time [Sukarno's first wife], a case involving smuggling of sewing machines in 1957. At that time there were a number of sewing machines which were smuggled through Tanjung Priok and which were seized by a security official. Examination followed examination, and it turned out that the sewing machines belonged to Mrs Fatmawati. His superior officer at the time, Suprayogi, ordered him to look into the matter. To do that, he was forced to ask permission from President Sukarno to question Mrs Fatmawati, before the case could be sent to the prosecution. "It was on this occasion that I learned how big-hearted Bung Karno was," he says. It turned out that President Sukarno ordered that the matter be fully investigated and examined.

Mrs Fatmawati, who was later contacted, mentioned the name of Hassan, who was really handling all of that. "'Call Hassan,' I shouted at the time, after receiving the report," says Djukardi Odang. It turned out that Hassan was the father-in-law of Bung Karno or the father of Mrs Fatmawati herself.

All for the Family

Djukardi Odang has a wife and a daughter. His daughter is still in school, in 11th class in senior high school, but he says that she inherits her father's energy. "My wife is not involved in business activity. She is only interested in the family and non-profit organizations," he says.

Djukardi Odang's salary as an acting lieutenant was only Rp 125 a month. At the time he was living in Jatinegara with two other acting lieutenants, Basuki and Suhud. But only Djukardi Odang has become a general. "I became a general because I was lucky, that's all," he admits. Now his income as president/director of Panca Niaga alone is about Rp 400,000 per month.

The Panca Niaga group which he directs consists of the Panca Niaga company itself, as an import-export firm; Panca Motors, a company assembling Isuzu automobiles; Trisari Veem [a stevedoring firm]; a travel agency, Jangger Tours; Panca Contractor, which is active in the construction contracting industry. In the near future the Panca Group will open a line of activity in the rattan and printing industries.

BIOGRAPHIC INFORMATION ON INDONESIAN PERSONALITIES

[Unless otherwise noted, the following information on Indonesian personalities has been extracted from Indonesian language sources published in Jakarta.]

BG MOERGITO--On 11 October Army Chief of Staff GEN Poniman presided over a change of command ceremony at the conference hall of headquarters of Military District IX/Mulawarman attended by the outgoing commander, BG Rahwono, and the new commander, BG Moergito. The new commander of the military district was previously Chief of Staff of Military District VIII/Brawijaya in East Java. He began his military career in 1945 as a cadet and in 1946 became an officer candidate. His previous assignments have included the positions of commander of Battalion 519, Military District VIII/Brawijaya; commander of Infantry Brigade 2, Military District VIII/Brawijaya; chief of information, Military District VIII/Brawijaya; assistant to the commander for territorial [reserve] forces, Military District VIII/Brawijaya; and commander of Regiment 083, Military District VIII/Brawijaya. BG Moergito was born in 1928. He graduated from staff and command school in 1971 and was chief of staff of Military District IX/Mulawarman for two months in 1976. During his career he has had broad experience with troops, on the staff, with the reserves, and as a teacher in service schools. [Excerpts] [Jakarta HARIAN UMUM AB in Indonesian 14 Oct 80 p 6]

MG IMAM MUNANDAR--Minister of the Interior Am'r Machmud on Thursday [2 Oct], acting in the name of the president, installed MG Imam Munandar in office as governor Riau. Imam Munandar obtained the largest number of votes in the election for governor at the beginning of this month. The two other candidates were Dr Baharudin Jusuf and Dr Ibrahim Razak. Imam Munandar was born 53 years ago in Blitar [East Java]. He graduated from elementary school in 1940, junior high school [SMP] in 1948, and technical high school in 1951. Munandar also attended a military school in 1943-44 (PETA). In 1974 he attended the staff and command school and the National Defense Institute [LEMHANAS]. In 1975 he became commander of Military District XVIII/Cenderawasih and in 1978 became deputy commander of Defense Region I [KOWILHAN], serving in that capacity to the present. [Excerpts] [Jakarta KOMPAS in Indonesian 3 Oct 80 p 12]

A B LAPIAN--A B Lapien was born in Tegal (Central Java) in 1929. He is an instructor at the Faculty of Literature of the University of Indonesia as well as a senior staff researcher at Leknas-LIPI. Previously, he was assistant director of the National Cultural Research Institute (LRKN) under the LIPI, chief of the historical section of the Indonesian Navy and chief of the maritime section

of Indonesian Navy headquarters (1965-1966). He graduated from the Faculty of Arts of the University of Indonesia (1961). He has undertaken a great deal of research and attended seminars and conferences on historical matters, including: research on historical sources in foreign archives (Great Britain, Spain, Portugal, United States, Macau), 1967-1970; National Historical Seminar II in Yogyakarta (1970); conferences of the International Association of Historians of Asia (the fifth conference, in Manila, in 1971, and the sixth conference, in Yogyakarta, 1973); secretary general of the International Association of Historians of Asia (1971-74); visiting fellow at the Institute of Southeast Asian Studies (1975). He has written extensively on historical questions concerning the countries of Southeast Asia and the various regions of Indonesia. [Text] [Jakarta PRISMA in Indonesian No 8 Aug 80 p 108]

ANDI ZAINAL ABIDIN FARID--Andi Zainal Abidin Farid was born in Gilireng, regency of Wajo, South Sulawesi, on 14 August 1926. He is a professor of penal law at the Faculty of Law of Hasanuddin University in Ujung Pandang. He graduated from the Faculty of Law and the Faculty of Community Science at Hasanuddin University (1960). He attended the University of Gadjah Mada and followed general studies for two months (1960). He obtained a certificate in comparative law at Southern Methodist University, Dallas, Texas (1963-1964). He undertook historical research concerning South Sulawesi at the State University of Leiden and the Royal Institute for Language, Land, and People's Culture [Koninklijk Instituut voor Taal, Land, en Volkenkunde] in Leiden (1973-1974). He obtained a doctorate in literature at the University of Indonesia with a dissertation entitled, "Wajo in the 15th and 16th Centuries: an Inquiry into the Hidden History of the South Sulawesi of Lontara" (1979). He has attended numerous seminars and conferences both in Indonesia and overseas and has written a number of articles, papers, and books which have been published in Indonesia and abroad. [Text] [Jakarta PRISMA in Indonesian No 8 Aug 80 p 108]

JANG A MUTTALIB--Jang A Muttalib is an instructor of history at the Faculty of Literature and Culture, University of Gadjah Mada. He is a researcher at the Center for Regional Research and Study at the University of Gadjah Mada. He obtained a master's degree from the University of Gadjah Mada in 1965 and an M A from the University of Malaya in Kuala Lumpur (1972). He holds a Ph D from Columbia University in New York (1977) with a dissertation entitled, "Jambi, 1900-1917: from War to Rebellion." [Text] [Jakarta PRISMA in Indonesian No 8 Aug 80 p 108]

JOHANSZ R MANSOBEN--Johansz R Mansoben was born in Biak (Irian Jaya). He is a student of anthropology of the Faculty of Arts, University of Indonesia. Previously, he studied social geography at the University of Cenderawasih in Jayapura and studied anthropology at the University of Leiden in the Netherlands (1977-1978). He has attended and presented working papers at a number of seminars concerning history and regional culture. [Text] [Jakarta PRISMA in Indonesian No 8 Aug 80 p 108]

R Z LEIRISSA--R Z Leirissa was born in Ambon in 1928. He is an instructor of history at the Faculty of Arts, University of Indonesia. He graduated from the Faculty of Arts, University of Indonesia, in 1965 with a major in Indonesian history and did graduate studies in the Department of History, University of Hawaii, specializing in the history of Southeast Asia (1970). In 1966 he was an

assistant teacher at the Faculty of Arts of the University of Indonesia, an assistant lecturer in 1972, and a lecturer in 1976. He has undertaken research and attended seminars and conferences on historical questions and written several articles and books. [Text] [Jakarta PRISMA in Indonesian No 8 Aug 80 p 108]

TENGKU LUCUMAN SINAR--Tengku Luckman Sinar was born at the Palace [Istana] of Kota Galuh (Perbaungan), North Sumatra, in 1933. He is a director of P T Euro Diesel, Medan. He graduated from the Faculty of Law and Community Science, University of Djajabaja, Jakarta, in 1969. He has attended a number of seminars concerning historical matters in Indonesia and abroad. He has also written the books, "Tuanku Sri Paduka Gotjah Pahlawan" (1966) and "Selections from the History of Serdang" (1971), as well as articles published in Indonesia and abroad. [Text] [Jakarta PRISMA in Indonesian No 8 Aug 80 p 108]

DR MOCHTAR BUCHORI--Much of the research in the social field at present is not relevant to development. At times there is duplication, while its purposes, which should be "problem-oriented" in fact are "discipline-oriented." So stated Dr Mochtar Buchori, M Ed, after his installation in office as Deputy Chairman of LIPI [Indonesian Science Institute] for social affairs on Wednesday [8 October] in Jakarta. He said that there is also the impression that research in the social affairs field is being left behind, compared with research in the natural science and economic fields in Indonesia. Dr Buchori admitted that the infrastructure of social science research is weaker, compared with scientific research facilities. This is apparent in educational institutions from elementary school to senior high schools. Standing out in these schools is the study of science. The differences in instruction in senior high school is also negative for the social science field, which is regarded as a kind of dumping place for the students who have failed to enter the exact and natural science fields. Buchori noted that there are senior high school students who are very good at stating scientific formulas but who are wrong in considering questions of citizenship. The new deputy chairman of LIPI hopes for cooperation between LIPI and all organizations interested in the social field. Buchori is inclined to use the term "stimulator" in connection with such cooperation, rather than coordinator, as the function of LIPI states. It is difficult to coordinate anything if there is one side which does not want to be coordinated. It is better to be a stimulator, that is, a polite "disturbing element," Buchori said. Dr Buchori was born in Yogyakarta in 1926. His background in education is pedagogy. He attended the University of Nebraska and Harvard University in the field of educational planning. His last assignment was as chief lecturer of the Faculty of Educational Science of IKIP, in Semarang. [Text] [Jakarta SINAR HARAPAN in Indonesian 8 Oct 80 pp 1, 12]

AIR VICE MARSHAL MARSMA OETOMO--The post of deputy commander of Defense Region I/ Sumatra and West Kalimantan was transferred on Saturday [11 October] from the former deputy commander, MG Imam Munandar, to his replacement, Air Vice Marshal Oetomo, at the headquarters of Defense Region I in Medan. Air Vice Marshal Oetomo was previously commander of Air Region IV in Surabaya, and this post will be turned over to Air Vice Marshal Hartono, who previously was commander of the Air Force Academy in Yogyakarta. Hartono will be replaced by Commodore [Marsekal Pertama] Suyitno from the Air Force Academy office in Jakarta. [Excerpts] [Jakarta SINAR HARAPAN in Indonesian 13 Oct 80 p 12]

DR SINGGIH D GUNARSA--The first assistant to the dean of the Faculty of Psychology of the University of Indonesia, Dr Singgih D Gunarsa, on Tuesday [14 October] left for the Netherlands on the invitation of Prof Dr J de Wit of the Free University. He will be a guest professor for three months at the Free University. During the time Dr Singgih will be there he will be working on his book, "Foundations for the Development of the Child." Apart from that, in his position as a member of the Board of Directors of the ISFBD (International Society for the Study of Behavioral Development), he will hold meetings in connection with preparations for conferences on child development which will be held in Bangkok, Thailand, and Toronto, Canada. [Text] [Jakarta SINAR HARAPAN in Indonesian 15 Oct 80 p 2]

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CSC: 4213

ITALIAN JOURNALIST INTERVIEWS KHIEU SAMPHAN

Milan PANORAMA in Italian 3 Nov 80 p 116

[Interview with Khieu Samphan by Ettore Di Zio: "Hanoi Is a Paper Tiger", date and place not given]

[Text] Khieu Samphan, prime minister of democratic Kampuchea and leader of the Khmer guerrillas, gave this interview to PANORAMA.

[Question] What is the situation on the war front?

[Answer] The fight is definitely turning in our favor. We have extended our control to the north, to our border with Laos, and we have put the Vietnam invaders on the defensive. They are immobilized. They are afraid to leave the cities.

[Question] How many Khmers do you have?

[Answer] We can count on 60,000 regular combatants. Another 50,000 are scattered around the country, organized into autonomous guerrilla nuclei. One of our units, with 20 or 30 men, could knock out a whole Vietnamese company.

[Question] After the massacres under the Pol Pot regime, aren't people afraid of you?

[Answer] The Vietnamese occupation brought hunger and famine with it--that is why the people are united with us. Not even international aid gets through to its destination. We have calculated that in our country, at least 2,000 persons die every day of hunger, malnutrition and sickness. So why talk about massacres?

[Question] There are photos, direct testimonies...

[Answer] We have made many mistakes and we acknowledge it. We came to power without any previous experience whatever, and our officers have committed abuses; yet no one mentions the massacres perpetrated by the Vietnamese. For example, on 7 January last year, we had to abandon thousands of wounded on the battlefield. The Vietnamese slaughtered all of them.

[Question] What future do you see for Cambodia?

[Answer] We will fight the invaders until they leave Cambodian soil, and we will succeed. The military situation is already favorable to us while Vietnam's economy is on the brink of bankruptcy. What is more, the USSR, which gives Hanoi \$3 million a day in aid, is showing signs of fatigue.

[Question] Do you receive aid from the United States?

[Answer] No.

[Question] Why is that?

[Answer] Because Washington persistently refuses to recognize the true nature and objectives of the Vietnamese invasion.

[Question] You fight with Chinese arms. Do they come from Thailand?

[Answer] No. You forget that Cambodia has 400 kilometers of coastline on the Gulf of Siam.

[Question] What national flag do [your supply] ships fly?

[Answer] Military secret.

[Question] Can you foresee any negotiated political solution to the whole problem?

[Answer] We are ready to discuss any peaceful solution providing the Vietnamese troops withdraw completely from all Kampuchean soil. We have proposed a "Grand National Union Front," open to everyone, from Prince Sihanouk to Heng Samrin, if he is willing. And we are ready to declare that from this moment on, the new Kampuchea will be neutral, nonaligned and without any foreign bases on our territory. But for the present, we have no alternative to guerrilla warfare.

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CSO: 4404

HENG SAMRIN VISIT TO BULGARIA CALLED SUCCESSFUL

BK28120 Phnom Penh SPK in French 1504 GMT 27 Nov 80

[Text] Phnom Penh, 27 Nov (SPK)--The success of the official friendly visit to Bulgaria by a top-level Kampuchean delegation led by President Heng Samrin marks a new era in the history of friendly relations between the Kampuchean and Bulgarian peoples.

The treaty of friendship and cooperation between the PRK and the People's Republic of Bulgaria [PRB], which was signed on this occasion by the leaders of the two countries, is "a document of historic importance in the relations between the two countries, which marks a new stage in the development of the friendship and cooperation between the two peoples," stressed the joint communique made public following this visit.

The Kampuchean people are highly delighted with this new development which brings them closer to the people of the great Dimitrov, eminent combatant of the international workers movement. Despite the fact that the two countries are thousands of miles apart, their peoples are close to each other and are inspired by a common ideal and common sentiments based on Marxism-Leninism and proletarian internationalism. They are unanimous in the struggle against imperialism, hegemonism and expansionism and for the permanent liquidation of colonialism, neocolonialism, racism and other reactionaries in the world. The results of the talks between the leaders of the two countries have confirmed the perfect identity of views on all issues discussed and also the mutual understanding between the two sides. This understanding is reflected in the documents signed on this occasion and in the warm welcome which the Bulgarian people and leaders reserved for the top-level KNUFNS-KPRC delegation.

The Kampuchean people, who endured injustice and misfortune under the old regimes and who, in particular, experienced the pangs of death under the rule of the Pol Pot-Ieng Sary-Khieu Samphan clique--lackeys of Chinese hegemonism--appraise with profound admiration the achievements of the Bulgarian people in building a developed socialist society under the leadership of the Communist Party. They admire the perseverance which the Bulgarian people have shown, since the founding of their state some 1,300 years ago, in defending their independence and their freedom. They admire the courage of this people who, after having crushed the fascists, followed the socialist path and who, in the span of 30 years under the Communist Party's leadership, went through a stage corresponding to the one which took a number of

capitalist countries several centuries to complete in order to rank their country among the world's most developed, thereby making a great contribution to strengthening the socialist community.

"It is a source of pride and enthusiasm for our people to have a close friend like the Bulgarian people," stressed President Heng Samrin when he received in October 1979 in Phnom Penh the delegation of the Bulgarian state and party led by Chairman Todor Zhivkov, leader of the Bulgarian people. The PRB has totally supported and helped the Kampuchean people in defending and consolidating their national independence and in building an independent, peaceful, democratic, neutral and non-aligned country advancing toward socialism. The Kampuchean people will forever be grateful to the Bulgarian people for their assistance and support, which is full of fraternity.

The Kampuchean people are convinced that the relations of friendship and cooperation between the PRK and the PRB will develop successfully following the visit of President Heng Samrin's delegation, thereby contributing to increasing the forces of socialism and peace in the world. The Kampuchean people will do their best to see that the provisions of the treaty of friendship and cooperation between the PRB and the PRK will be fully implemented and so that beautiful pages will continue to be written in the history of friendship between the two peoples.

PRK DELEGATION VISIT TO FRANCE DESCRIBED

BK280335 Phnom Penh SPK in French 0523 GMT 27 Nov 80

[Text] Phnom Penh, 27 Nov (SPK)--A PRK delegation led by Journalist Khieu Kanharith visited Brittany in northwestern France from 13 to 17 November.

Accompanied by the Reverend Jean Yves Buanic and Journalist Jerome Kanapa--respectively vice-chairman and member of the Association for the Development of Relations With Kampuchea (ADRAC). Khieu Kanharith and Doctor Chhea Thaing were welcomed by the mayor and his deputy, the general councillors and representatives of various political parties. During meetings with the French humanitarian organizations and the people of the visited localities, Khieu Kanharith thanked the French people for their support to the Kampuchean people.

On 17 November, the delegation was cordially received by Roland Leroy, member of the French Communist Party Political Bureau and director of the L'HUMANITE journal.

On 18 November, the delegation visited the Pasteur Institute. That evening the delegation attended an annual reception of the French people's relief committee at the UNESCO headquarters.

The Kampuchean delegation held talks with representatives of the French national education and culture ministry on 19 November in an atmosphere of understanding. Those present included Gressier, former conservator of the Angkor Temple, and a representative of the Orsay Quay. The talks dealt especially with the forms and possibilities of cooperation between the two countries in the educational and cultural field.

In the evening of 24 November, the Kampuchean cultural delegation attended a reception in Paris given in its honor by the French humanitarian organizations.

Deputies of the Paris region, representatives of the General Confederation of Labor, large numbers of French intellectuals, religious and journalists, Vietnamese ambassador Vo Van Sung, a representative of the Association of Vietnamese residents in France and members of the Diplomatic Corps in Paris attended the reception.

In a speech delivered on behalf of the French humanitarian organizations, Doctor Yves Follozon voiced compassion for the Kampuchean people saved from genocide and extolled the Vietnamese people for their sacrifices in reviving Kampuchea.

Journalist Khieu Kanharith expressed the Kampuchean people's gratitude to the French charity organizations for their assistance in rebuilding Kampuchea. He denounced the Pol Pot-Ieng Sary clique's crimes against the Kampuchean people and called on international charity organizations to continue giving aid to Kampuchea for national reconstruction.

KAMPUCHEA

BRIEFS

SAMRIN DEPARTS FROM HUNGARY--Phnom Penh, 2 Dec (SPK)--The KNUFNS and KPRC delegation led by President Heng Samrin left Budapest on Saturday [29 November] at the end of its official friendship visit to the Hungarian People's Republic. The delegation was seen off by Gyorgy Lazar, chairman of the Council of Ministers; Rezső Trautmann, vice president of the Presidential Council; János Borbándi, deputy chairman of the Council of Ministers; Foreign Minister Frigyes Puga; Food Minister Emil Schultheisz [as received]; János Berecz, chief of the Department of International Relations of the Hungarian Socialist Workers Party Central Committee; Zoltan Szepvolgyi, chairman of the Budapest Municipal Council; and other high-ranking Hungarian leaders. Also present were Almási Alfred, Hungarian Ambassador to Kampuchea, and Khuon Ran, Kampuchean Ambassador to Hungary. [Text] [BK030813 Phnom Penh PSK in French 0402 GMT 3 Dec 80]

PRK DELEGATION'S VISIT TO FRANCE--Phnom Penh, 29 Nov (SPK)--A reception was given on Wednesday [26 November] by Vo Van Sung, Vietnamese ambassador to France, in honor of the PRK delegation led by Khieu Kanharith currently visiting France. Roland Leroy, member of the Political Bureau of the French Communist Party (PCF), and representatives of the various PCF services and organizations, of humanitarian organizations, of the Belgium Committee for Solidarity with Kampuchea, and of Kampuchean, Lao and Vietnamese residents in France attended. On 21 and 22 November, Khieu Kanharith and Dr Chea Thang visited Nice and Cote d'Azur, where they met with representatives of diverse strata of the local people and gave talks on the situation in Kampuchea. Various popular organizations in Nice have decided to launch funds raising campaign in favor of the Kampuchean people, while teachers at the University of Nice have donated publications to schools of higher education in Phnom Penh, especially the College of Medicine, the Normal School, the Institute of Sociology and the School of Commerce and Statistics. [Text] [BK300915 Phnom Penh SPK in French 0450 GMT 29 Nov 80]

PURSAT RELIEF DISTRIBUTION--Between July and September, the Red Cross of Pursat Province distributed a great quantity of relief goods--including clothes, food-stuffs and other items of daily use--to orphans and people in Kandeang, Bakan and Kravanh districts. [BK180529 Phnom Penh SPK in French 0418 GMT 17 Nov 80 BK]

DELEGATION TO SRV--Phnom Penh, 4 Nov (SPK)--A delegation of the Battambang provincial education service led by its deputy chief recently paid a visit to the Vietnamese province of Quang Nam-da Nang, VNA reported. The Kampuchean delegation toured the general, primary and secondary schools in Dien Ban district, the Hoi An Urban Center, Danang City, supplementary education schools for civil servants in the province, the Secondary and Advanced Normal School and the Polytechnic School in Danang. [Text] [BK051415 Phnom Penh SKP in French 0409 GMT 4 Nov 80 BK]

ARMY DEPARTMENTS CONFER RANKS ON OFFICERS, MEN

HK031048 Vientiane Domestic Service in Lao 0400 GMT 1 Dec 80

[Text] To promptly implement the resolutions of the Central Party Military Commission and the National Defense Ministry, on the morning of 28 November the army political, general staff and logistics department held a ceremony to formally confer ranks on noncommissioned officers and privates.

Attending the ceremony were chiefs, deputy chiefs and committee members of the three departments.

After the chairman of the presidium of the ceremony had read an opening speech and the resolutions conferring ranks on army officers and men from the rank of first lieutenant downward, a departmental chief of the National Defense Ministry made a speech. He emphasized the significance and importance of the conferring of ranks, which is aimed at strengthening the army so that it can fulfill the task of defending the socialist fatherland, an outpost of socialism in Southeast Asia.

In conclusion, representatives of the officers and men in each department pledged to carry out all resolutions and orders of the Party Central Committee and the Central Party Military Commission and to fulfill all tasks entrusted by the party and state.

The ceremony ended in a joyous atmosphere.

CG: 4206

MCA DECIDES TO STRENGTHEN ITS PARTY DISCIPLINE

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 8 Sep 80 p 3

[Text] Dr Leong Wee Pan, national deputy president of the Malayan Chinese Association [MCA], stressed today that the MCA will definitely not allow its members to adopt an ambiguous attitude, because the MCA is not a club but a serious political organization.

Datuk Dr Leong pointed out that the central leadership will absolutely not tolerate violators of party discipline, and once the party has issued a decision, every party member must abide by the party line.

Datuk Leong made the remarks this afternoon while officiating at the opening ceremony of the Penang State MCA Conference held at the MCA Building on Coordination Road.

Upon arrival at the conference site, he was welcomed by a lion dance staged by the Penang State Malayan Chinese Youth League, and by Lim Kian Siu, federal chairman of the Penang State MCS; Dr Lim Leang Seet; Lee Eng Keok; Tan Soon Eu; and Lee Hong Lian.

The conference was officially opened with a recitation, led by Tan Chok Seng, of the party motto, followed by a speech by Chairman Lim Kian Siu.

Some 14 items on the agenda were brought up for discussions today, including party affairs, government, economic affairs, education, and housing.

In his speech, Datuk Leong pointed out that this state conference is being held not for finding fault or unloading responsibility; in fact, it is a place to seek reform and to express democratic principles.

He said, "We must begin with the strengthening of party discipline in order to create a strong and united Malayan Chinese Association. All party members must place party interests above personal interests. At the same time, we must abide by the party line. This does not mean, however, that the MCA does not give its members an opportunity to express their opinions. There are opportunities galore within our association. But the moment the party has decided on a certain issue, all members must follow the party line. The minority must obey the majority, in conformity with good democratic traditions. The central leadership will absolutely not tolerate those persons who violate party discipline. Our party is also

determined to carry out the resolutions passed during a recent conference of regional party chairman and secretaries, which is to urge the central leadership to strengthen our party discipline. We cannot tolerate those persons who sabotage our party out of spite because their own selfish interests cannot be fulfilled. The time has come for those wavering party members to repent and follow the party line. Our party will absolutely not allow them to take an ambiguous attitude. The MCA is not a club but a serious political organization. Consequently, it should have its own platform and action program. It is presently carrying on with its work, in line with its own political thought and theory. It is also marching forward according to its political line. Therefore, discipline is most important for us to attain our political goal. The majority of our members understand this important principle, and they constitute the core organization of our party's loyalty and discipline. They also represent a solid force to guarantee our party's steady progress on the high seas, free of sabotage."

Leong Wee Pan continued, "All reforms conducted by our central leadership will guarantee the members a sense of proper direction and an understanding of our policies and programs. In this way they can help strengthen the party's internal structure and its development. Naturally, some persons may not be able to keep in stride with these reforms and will halt en route, and others may oppose these reforms. Therefore, we evoke their strong reaction. Nevertheless, time is a factor. If we cannot make proper adjustments, I am afraid we will be left behind. Therefore, we must treat all our party reforms with a correct outlook.

"In a multinational society, politics are invariably complicated, because they constitute a reflection of the multinational communities. A political equilibrium is necessary, for an imbalance will bring about differing demands. Therefore we must maintain a balance to safeguard the continuous stability of society. We must do our utmost to get the public to understand this inequilibrium and to accept this fact. At the same time, we must learn how to endure this inequilibrium. We must all, irrespective of race, play our respective roles to obtain the nation's prosperity and progress and to improve the people's solidarity. We have many common points to enable us to minimize our differences. Malaysia is a God-given country, and everybody has a foothold in it. We must be prepared to work hard and to do our best to turn Malaysia into a prosperous, united, harmonious nation. In this way we can strengthen goodwill and harmony for all. It is our hope to safeguard the nation's solidarity; this is also the goal of our nation."

According to another news report from Penang, Datuk Leong was quoted as saying that although the Malayan Chinese Association has strong "fresh troops," it cannot adopt consistent actions because of a lack of party discipline.

He said that the central leadership has decided to strengthen the party discipline.

In reply to questions from members during the Penang State MCA Conference today, he pointed out that if the Penang State MCA can strengthen its organization, it can become a sufficiently strong political organization to reach its ultimate goal.

Discussing the recent elections at the People's Political Party convention, Datuk Leong opined that a new situation would emerge for the civil administration in Penang and Perak states. It will be a tense situation, as pressures will converge on Penang (Georgetown) from all directions. Whether the Chinese in Penang State can face up to the new challenge and retain their interests will be known 2 years from now.

Datuk Leong urged the Malayan Chinese Association in Penang State to make the necessary adjustments in the coming 2 or 3 years; otherwise, it will be relegated to limbo. He appealed to the MCA members to strengthen their spirit of struggle. We need this spirit and force of solidarity to strengthen our political force.

Datuk Leong said that the central leadership of the Malayan Chinese Association has been consistently coping with the great changes taking place in recent years.

Meanwhile, Lim Kian Siu, federal chairman of the Penang State MCA, said in his speech that he would be glad to have a debate with the opposition party at any time. The circumstances being faced by the MCA need to be carefully studied and explained to the public. Nevertheless, [the MCA] can stand the test of time and is not as fanatic or irresponsible as the opposition party. Scrutinized calmly, the opinions of the opposition party simply do not hold water.

He emphasized that the MCA should collaborate with members of other parties in national politics and live and let live in a fair and harmonious spirit.

He continued: "This conference is most significant in that we must prepare to shoulder responsibilities which are heavier than ever before. This is because it is our commitment and responsibility to support the Penang State government, in line with the development of the times.

"Since the elections about 2 years ago, we have maintained an orderly silence, which has made us feel disgruntled. We adopted that stand to heal the wound and in the hope of improving the relationships among component parties in national politics in order to reach our common goal, and also to enable our entire Chinese group speak out with a common voice its aspirations in national politics. All this weakened our strength."

Under the premise of equality and goodwill, Mr Lim firmly believed that we can reach this goal, and in this way Penang State can present a multinational society replete with equality and goodwill among the people. This can be attained.

"Our goal is very simple: it is to rebuild the MCA to make it strong and to obtain an important seat in national politics, to shoulder our responsibilities and complete our tasks, and to maintain Penang State's position in national politics. We must be prepared to sacrifice the self and voluntarily complete this goal," he said.

"The march of time is beneficial to us, but we must strengthen our basic organization, especially because Malaysia's politics is based on numbers. Our multinational background tends to racialize many problems, and so it is our heavy responsibility to bring about a balanced situation. The entire ethnic Chinese community must wholeheartedly support and strengthen our force in order to represent the Chinese nationality, but at the same time we must seek the understanding and cooperation of other nationalities in order to forestall the occurrence of rioting and violence--a situation the opposition party would love to fabricate," Mr Lim concluded.

CHINESE CIVIC LEADER FEARS RACIST TREND

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 29 Sep 80 p 3

[Text] Lim Hong Seng, chairman of the National Federation of Trustees and Educators, said that at present the doctrine of "Bumiputras above all" is being excessively stressed in our country, and this is a situation which tends to polarize racism.

He explained that by "excessive stress" he meant doing all sorts of things without exercising restraint, which could lead to overreaction and bring about unwanted rioting and suffering, thereby causing inequilibrium in our society. Is this the road leading to true national unity?

Lim Hong Seng made these remarks during his speech before a large gathering of the combined working committee of Pin Wee Chinese School Alumni Association held in a Chinese restaurant last night.

Chioh Tin Chuan, a well-known public figure, was invited to cut the ribbon marking the start of the dinner and speechmaking gathering. Among the invited guests were Dr Goh Cheng Teck, deputy minister of communications; Datuk Koh Peng Teng, chairman of the Pulau Pinang Chinese Association, and his wife; and three political figures who delivered keynote speeches, namely, Datuk Chan Eng Som, MP; Dr Lim Keng Eck, national chairman of the People's Political Party; and Dr Tan Seng Yao, national publicity chief of the Action Party.

Tay Eng Siang, chairman of the working committee of the alumni association, had earlier given a welcoming address and presented commemorative shields to some of the guests, including Chioh Tin Chuan, honorary president of the association Tan Sian Chun, Gan Chin Huat (accepted by Tan Kim Hua by proxy), and the representative from the Guan Hock Lion Dance Troupe.

Dr Kong Tin Seng of the general affairs section handed over a M\$10,000 check representing donations canvassed by the working committee of the Pulau Pinang Chinese Association, to its chairman Datuk Koh Peng Teng. Lim Eng Tin, deputy leader of the working committee, presented a souvenir shield to Datuk Chan Eng Som, Dr Lim Keng Eck, and Dr Tan Seng Yao. This was followed by a speech by deputy chairman Tan Kim Hua, a local JP.

The speechmaking program was officiated by Dr Kong Tin Seng.

In his address, Lim Hong Seng praised the working committee of the Pin Wee Chinese School Alumni Association, which made this gathering possible--another example of the outstanding performance of the Chinese community in Pulau Pinang, particularly the Chinese teachers. The Chinese community is intensively studying the problems confronting all Chinese throughout the country and is seeking ways and means for their solution.

Mr Lim expressed the hope that every state would learn from this daring spirit of the Pulau Pinang Chinese educators in order to arouse and mobilize the entire Chinese community, to understand the situation and grasp their own fate, and to make contributions to the country and people.

This is fair and reasonable, because in doing so we are merely enhancing the political awareness of the people and promoting the true spirit of the democratic system, he said.

Mr Lim continued, "As a matter of fact, there has never been a serious fundamental contradiction among the nationalities in Malaysia, because its land is rich, its resources are abundant, and there is enough space and wealth to accommodate economic activities of all types by all nationalities. Within its boundaries there is no serious racial intimidation, as each race operates in a different economic realm without a major conflict of interest. That is why everybody has been able to live quietly in the past century.

"As to the period of British colonial rule, their divide-and-rule policy, which constructed racial fences, was artificial and adopted for certain political motives.

"At present, the Chinese are by no means challenging or threatening the native ruling class, which occupies an advantageous political position. Throughout Malaysia's social structure, few Chinese occupy the upper level and relatively few at the lower level, as the majority belong to the middle echelon. On the other hand, few Malays occupy the upper or middle levels, as the overwhelming majority belong to the lower level. It is very difficult for economic development to reach the lower level. As to the Indian population, they occupy less than 10 percent and do not play any significant role in society. Can such an economic structure go on steadily with the passing of time? We must pay attention to this problem."

Mr Lim pointed out that during the past 20 years, the position of the Chinese has been going from bad to worse--this is an undeniable fact. "The Chinese society's outlook of values is feudalistic and out of date. Their leaders are agents of the early colonial period, compradores, and what the society respects today is still wealth and official position," he said.

"What the Chinese society needs today are leaders emerging from among the masses, righteous, straightforward, clean, and bold in word and deed. Only through such leadership can our legitimate interests be safeguarded.

"Some people argue that there is nothing we can do in the realm of politics, so let's fight for some economic benefit, and so they believe that big business can become a panacea to cure all ills," he concluded.

Dr Lim Keng Eck, national chairman of the People's Political Party, urged the government to revive the National Consultative Assembly, with a view to improving the goodwill and solidarity among nationalities.

Dr Lim stressed that it would be futile to talk academically about this problem; what is important is that we must make an effort to improve this interracial solidarity so it can be preserved forever.

Dr Lim was expressing his views on the past and future of the interrelationship among Malaysia's nationalities at the invitation of the working committee of the Pin Wee Chinese School Alumni Association last night.

In his opinion, Chinese society should be in tune with all political parties and not quarreling with one another all the time, which does nobody any good.

He also believed that the people, government, and leaders of political parties and social organizations throughout Malaysia should hold dialogues regularly.

He said that the demands of the times prompted his People's Political Party to take part in national politics in order to offer better service to the country and people.

He expressed the hope that the opposition party would not utilize last night's gathering to attack other groups, as it will have many opportunities elsewhere.

Commenting on the Action Party's use of the Goddess of Mercy idol to attack the People's Political Party, Dr Lim said that if the Action Party has a role to play, then it should do so, but it should not utilize this problem to attack other people.

Dr Lim said that every political party has its own role to play, and there should not be any smear campaign against one another.

9300

CSO: 4205

MOSLEM PARTY BOYCOTTS MALAYAN PAPER FOR TWO MONTHS

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 29 Sep 80 p 3

[Text] A congress of the Moslem Party today unanimously agreed to boycott the newspapers of the Malayan Pioneer Newspaper Group, on the grounds that the papers adopted an unfair attitude toward the party's struggle. The boycott action will be for a period of 2 months.

As to the starting date of the boycott, this will be decided by the Central Committee of the Moslem Party. This was a resolution passed during its congress.

The boycott proposal was brought up by Encik Bustawahari, leader of the Moslem Youth League.

After the resolution was adopted, Datuk Asri, chairman of the Moslem Party, explained that the action was not meant to strike a blow against the newspaper group, but rather to show the party's strength.

He said that the action was intended to signal the party's displeasure against the prejudicial reportage of the newspapers.

At the same time, the congress passed the following 5 resolutions:

- 1) To launch a sacred donation campaign, in which each person is to donate 1 day's salary a year to aid the Islamic struggle;
- 2) To request the Moslem Party to submit a memorandum to the highest authorities urging the latter to take action by stopping all propaganda activities that threaten the religion of Islam;
- 3) To urge the government to reexamine its open-door industrial and investment policy for foreign investors, in order to bring greater benefits to our people;
- 4) To urge the government to release all Moslem Party members who are being detained under the National Security Act, and to put them on trial in court if the government has evidence against them;
- 5) To appeal to the government to draft a foreign policy which gives priority to the establishment of friendly relations with Moslem countries.

9300

CSO: 4205

BALUCHI YOUTH APPEAL TO ENTER JUNIOR CADET SCHEME

Unsuccessful Appeal

Quetta BALUCHISTAN TIMES in English 23 Nov 80 p 1

[Advertisement]

[Text] General Muhammad Zia-ul-Haq, President of Pakistan.

Sir,

1. We are grateful that your Government are providing abundant opportunities to Baluchistani youths in all walks of life.
2. Under your specific directives a large number of young students are being inducted into Pakistan Army also under Junior Cadet Corp Scheme.
3. For 9th J. C. C. Session, 32 candidates from Baluchistan appeared in I. S. S. B. at Kohat on 1st-5th November, 1980.
4. They were given two months special training at Quetta so as to prepare them to compete with others.
5. All of them gave good performance at Kohat in all tests but eventually only 3 have been declared successful.
6. The unsuccessful candidates feel extremely dejected as they were very much keen to join Pak Army.
7. We earnestly request you to kindly intervene and give some relaxation to Baluchistan candidates to help their selection.
8. We also request personal interview with the President.

(29 Unsuccessful Candidates)

Space Donated by BALUCHISTAN TIMES

Zia Responds

Quetta BALUCHISTAN TIMES in English 24 Nov 80 p 1

[Text] Quetta, Nov. 23: President General Mohammad Ziaul Haq has said that measures are being taken to impart military training to the youths of Baluchistan to enable them to serve the country.

The President on reading the appeal of 29 youths, published in BALUCHISTAN TIMES assured Syed Faseih qbal, Editor BALUCHISTAN TIMES and Zamana, that every effort will be made to provide maximum opportunities to Baluchistan youths in civil and military services.

The President said that the youth should not feel disheartened if there are any deficiencies in their training they will be removed in order to facilitate their selection.

CSO: 4220

ZIA OUTLINES ACCELERATED DEVELOPMENT POLICY FOR BALUCHISTAN

Quetta BALUCHISTAN TIMES in English 24 Nov 80 pp 1, 4

[Text] Quetta, Nov 23: President General Mohammad Zia-ul-Haq disclosed today that a comprehensive scheme was being prepared to ensure the supply of adequate water for drinking and irrigation purposes in Baluchistan.

Addressing the Councillors, notables and general public at Pishin, 30 miles from here, on the third day of his four-day extensive visit to Baluchistan, the President said that the supply of Abundant water would give a great fillip to the development of agriculture in the province in general and Pishin district in particular.

The President said that it was the policy of the present government to accelerate the pace of development in the country in general and of Baluchistan in particular as this province had been left behind in the economic field. He asserted that the government was determined that Baluchistan could not only be at par with other provinces but outstrip them.

General Zia-ul-Haq said that only yesterday he had discussed with the local administration the problems of this province. He said that there were certain areas along the border which had not received required attention in the past. The government, he said, was examining as to in which field steps should be taken for its development. Water supply roads and electricity were the fields which needed immediate attention. He however, made it clear that it would take time. Nevertheless he assured that undivided attention would be paid to the'r development.

The President told them that within the available limited resources, the government has to embark on development projects. Negligence of years could not be compensated overnight.

He lauded the efforts of Water and Power Development Authority (WAPDA) in Baluchistan. This organisation, he added, had achieved great success and more villages and areas were being electrified. He appealed to people to promptly clear the electricity bills so that this amount could be spent in the electrification of other areas.

Referring to the local bodies system, the President advised the councillors to work with missionary zeal to serve the people and the nation. Great responsibility now rested on them. Their electorates had great expectations from them. He said that the institution was in the nascent stage. Improvement in its working would be made gradually.

As regards education, the President said that the government attached great importance to it. He said that even in Islam, great emphasis had been laid on the pursuit of education.

He said that it was the intention of the government to avail the services of Khatibs of mosques for the teaching of Holy Quran in mosques. After acquiring the basic education of Quran, the children could go after modern education. They must also practise the teachings of Holy Quran.

Referring to the demand made in the welcome address for the upgradation of local Inter College to Degree College, General Zia be examined by the Provincial Government. The Federal Government could also help in this respect if needed.

He announced a special grant for providing scholarships to the talented students of Pishin. He said that those students getting places of distinction in examinations would be sent outside the district as well abroad.

The President while underscoring the need for making the Zakat System a great success, announced a grant from the Federal Government for setting up an organisation in Pishin which could ensure permanent income to deserving widows, orphan and other needy persons.

Concluding, General Zia appealed to the people to work for the enforcement of the Islamic System in the country. It was the first and foremost duty of every one, he asserted.

Earlier, the Chairman of Pishin District Council Mr Sarwar Khan in his welcome address assured all cooperation and support to the President and his Government for the success of Islamisation process.

He also praised the institution of Local Bodies System which he added had provided an opportunity to the people to participate in the administrative affairs of the country. He assured the President that Councillors would come upto the expectation of the people and the nation.--APP

AGENDA FOR ISLAMIC ECONOMIC REFORM

Islamabad THE MUSLIM in English 6, 7, 11, 12 Nov 80
[6 Nov 80, p 4]

[Text]

The report of the Committee on Islamisation appointed by the Federal Finance Minister.

There is a consensus among Muslim scholars that Islam's is a 'complete' system, its clear perception of the Unity of all life process—social, economic and religious—is Islam's original contribution to civilisation, and offers the best hope to the Muslims to re-order their socio-economic affairs according to the tenets of Islam. All this is clear enough.

However, the full implications of the unitary Islamic philosophy are not always so clearly understood. Specific recommendations to 'Islamicise' existing economic systems tend to ignore inherent incompatibilities between the Islamic and other economic systems. For instance profit-sharing in business transactions, which properly belongs to an Islamic system, has been proposed to replace interest within the framework of a capitalistic economic system—a system built upon the limited-liability principle which interest represents. That such a transplantation may in fact aggravate the worst characteristic of Capitalism—viz economic exploitation of the poor by the rich—does not seem to have occurred to the proponents of such ideas.

This is just one instance of a general principle that social and economic systems are 'complete' entities, with a set of distinctive value premises and the logical consequences of those premises. Hence elements of one economic system cannot be moved at will across different economic systems.

It is therefore essential that the Islamic system be viewed in its "totality". Furthermore, in introducing the Islamic system, specific elements of the reform should be looked at in relation to this "totality". However, it should be noted that when the "totality" of the Islamic system is emphasised, it does not necessarily mean that isolated steps to implement the Islamic reform should not be taken. However, what it does mean is that:

(i) these isolated steps should directly contribute to the ultimate realisation of the total Islamic system; and

(ii) such steps should be appropriately "ordered" singling out those which contribute the most to achieving the basic objectives of the Islamic economy. An important consideration in this context is the fact that, to begin with the existing (non-Islamic) economic systems will have to be taken as the natural starting point from where to move towards the Islamic ideal.

PRIORITY LIST

It is, therefore, essential that the priority list of the elements of Islamic reform be drawn up with a view to minimising the evils of the existing economic system. For instance, a highly skewed distribution of income and wealth, high levels of open unemployment and disguised unemployment, socially unacceptable levels of literacy rates, allocative inefficiency, low level of business and public morality etc., are the major 'pollutants' of the economic environment in developing countries like Pakistan. True, public policy under any economic system must squarely

meet these problems but that does not mean that the Islamic system should not face up to them. The distinctive character of the Islamic system which sets it apart from existing non-Islamic economic systems lies in its outlook on these problems, and in the way that it seeks to meet them. In fact, the presumption is that the Islamic system will succeed where other systems have failed, together with the belief that it will provide a unified framework within which the successful pursuit of the above-mentioned objectives will also contribute to spiritual salvation.

THE CHARACTER OF AN ISLAMIC ECONOMIC SYSTEM If the assertion is made, as we have made in this Report, that the Islamic system should be seen in its "totality", then the next question is "what is the Islamic economic system?" Exact definition of systems is quite often a treacherous territory: such definitions can be made broad enough to accommodate "everything under the sun", or they may be much too restrictive. Definitions of the former type are meaningless as analytical devices, while those of the latter type have little explanatory power. However, like an elephant which can be fairly accurately described though not defined, economic systems can also be identified and compared in terms of certain basic properties. As recent work on comparative systems analysis has shown, the attitude on the following matters locates the distinctive character of an economic system fairly accurately:

- (i) Property relations;
- (ii) Kinds of economic freedoms;
- (iii) The character of the incentive system;
- (iv) The character of the co-ordinating or the resource-allocation mechanism; and

(v) Location and system of decision-making.

(i) PROPERTY RELATIONS

The basic characteristic of an Islamic system is its attitude towards private property in the Islamic perspective. All wealth belongs to Allah. "Unto Allah belongs whatever is in the heaven and whatever is in the earth" (al-Qur'an, 3:129). Accordingly, Man is only a trustee of whatever he has and not its owner, "and spend whereof He hath made you trustees" (al-Qur'an, 57:7). This Islamic position is unique and can easily be distinguished from the position of Capitalism where the private ownership of wealth is a sacred institution to be preserved at all cost as well as from the position of Socialism where all wealth belongs to the State. It should be clear that, because of the concept of trusteeship, the right to private property in Islam gets vastly qualified, limiting severely the sphere of ownership itself. There is a complete unanimity among Muslim scholars that such things as grazing lands, natural forests and water resources, mines, roads, graveyards and places of congregational prayers cannot be privately owned. As for land ownership rights are liable to be lost if such land lies unclaimed or is not used for three consecutive years.

A more difficult matter is that of inherited wealth. Does an individual have an unrestricted right to whatever wealth he inherits from his parents? Again, can the State do nothing to take into public custody a part or the whole of what a person inherits? There is a view that since the individual is a legal owner of inherited property, the State cannot impose death duties, nor can it take away any part of it. This may be so, but does it follow that the State can take no measures whatsoever to ensure an Islamically just redistribution of all property? To hold such a position on the basis of the spurious argument that the law of inheritance is sufficient to redistribute wealth equitably, in the sense of preempting all distributive initiative of the State, is really to miss the whole point about the heavy egalitarian economic philosophy of Islam.

RICH AND THE POOR

There is the unequivocal Qur'anic commandment: "Who is rich let him abstain generously and who is poor let him take liberally" (Qur'an, 4:61). It follows that, even though, to begin with, there may be such a thing as the co-existence of the rich and the poor, it need not persist at least

the gulf between the two should not widen over time after the redistribution of wealth ordained by Islam has taken hold. The argument for adopting measures to redistribute private property more widely gains further strength from the fact that we are living in a non-Islamic economic system, marked with gross inequities in the ownership of wealth, of which land is a very substantial element. Hence, in order to make a decisive move towards the Islamic ideal it is essential that, to begin with, the total private property in the community, both rural and urban, is redistributed in a more just fashion. To maintain that nothing can be done about redistributing private property more widely in the society, so that it remains locked within certain families through inheritance, would really amount to taking the absurd position that the existing distribution of wealth is in accordance with the Islamic precepts.

(ii) KIND OF ECONOMIC FREEDOMS The principle of consumer sovereignty, held so dear in capitalistic societies, and its total suppression as practised in socialist societies, are anathematical to the 'moderate' egalitarian philosophy of Islam. In Islam, individual freedom has been appropriately balanced by social responsibility as contained in its ethical principles. The Islamic view is founded on an explicit realisation of the fact that Man is greedy and selfish by nature. If left to himself, he would not do much for others in the society. The holy Qur'an attests to this aspect of Man's nature: "Say if you possessed the treasures of the Lord's mercy, yet would you hold them back for fear of expending and Man is ever niggardly" (17:100). On the other hand, it is the 'intention' of God that every body should be provided with a minimum of sustenance: "There is no moving creature on earth but its sustenance is upon God" (al-Qur'an, 9:6). Thus the existence of hunger and abject poverty is entirely man-made and a direct result of an unjust economic system. The Islamic system with its heavy emphasis on the act of 'giving' as the essence of a just socio-economic ordering, must, to reflect God's intention, devise ways and means of checking individual greed, so that all members of the society get a minimum of sustenance.

Hence to introduce Islamic reform in a society like Pakistan, the structure of which has been raised on the capitalistic principles, it will be essential for the State to take up increasing responsibilities to ensure the satisfaction of the society's demand for such 'basic needs' as health, education and housing. In doing so, the consumer soverei-

gnty will have to be sharply curtailed, though not entirely eliminated, so that enough resources are reserved for financing an elaborate public sector programme to fight poverty, hunger and widespread economic deprivation.

(iii) THE CHARACTER OF THE INCENTIVE SYSTEM

Another important factor distinguishing one economic system from another is the kind of economic incentives that keep the system going. In particular, the place accorded to price incentives - viz. profits, interest, rents and wages as sources of income - in a given economic system determines its character. For instance, in a 'pure' capitalist setting, profits and rents tend to grow at a rate faster than that wages to allow the investible surplus to accumulate. In Pakistan, such a strategy did in fact operate during the Sixties, when government policies consciously let profits multiply while increases in wages were restricted to maximise the flow of investible surplus in the corporate sector. Such a strategy was based on an explicit acceptance of income and wealth differentials, which were allowed to grow even further, as a means of achieving rapid growth rates. In socialist societies, where profits accrue to the State, disproportionate amounts are reinvested into the production of capital goods industries. Thus consumption is restrained and capital formation accelerated, causing economic hardships on the common man. Islam would reject both of these extremist economic strategies. It would not - as it cannot - use widening income differentials as a policy instrument to promote capital formation and economic growth by virtue of its commitment to *al-dal wal-Ahwal*.

(iv & v) THE RESOURCE ALLOCATING MECHANISM AND THE LOCATION OF DECISION-MAKING

The observations just made have a direct bearing on the character of the resource-allocating mechanism and the economic decision-making process in an Islamic economy. As pointed out above, while the private sector will have a due place in it, the public sector will be called upon in an Islamic economy to assume, among other things, a predominant role as a producer of 'wage goods'. For social welfare requires not only a transfer of financial resources from the rich to the poor, but a diversion of real resources to the production of the basic necessities of life - and away from non-essential and luxury production. In other words, the very composition of the 'consumer-goods basket' in an Islamic economy will require the State to play a tangible role in it. The matter is too important to be left to the 'invisible hand' of the market forces.

All the indications of the Islamic economic system speculate about unmistakably point to the humane economic philosophy of Islam, whose *Maqasid* is *al-Adl wal-Ihsan*. The Holy Qur'an is explicit on what the individual and the society should be doing: "Lo! Allah enjoinseth Justice and Kindness (*al-Adl wal-Ihsan*)" (16:90). These two basic attributes of Islam translate into an economic system which explicitly aims at re-establishing a delicate balance between social and economic forces, with a clear bias in favour of the poor and the economically weak. The Holy Qur'an explicitly lays down the ultimate requirement that Islamic economic policy must meet: "And We desired to show favour unto those who were oppressed in the earth And to make them examples and make them the inheritors, and to establish them on earth" (28:5-6). In fact, according to the Holy Qur'an, the poor of the society have a right to the wealth of the rich: "And in their wealth the beggar and the outcast (i.e. destitute) had due share" (51:19). The implementation of the Divine commandment on the economic plane would require a heavy redistribution of income and wealth from the rich to the poor.

TWO POINTS

Two points should therefore be central clear about an Islamic economic system:

(i) It must enforce a balance-equilibrium among the consumption, production and distribution relations in the society. This must come about by virtue of God's commandment to establish *al-Adl* and

(ii) The second part of God's commandment - i.e. *al-Ihsan* - requires that economic policies in Islamic economy have a distinct tilt towards the poor. Not only that the process of pushing up the poor along the scale of social hierarchy must continue until the oppressed in the land finally attain a respectable status in the society.

These overriding Islamic requirements can be met if economic policy is geared to the attainment of the following objectives:

- (i) Social Justice
- (ii) Universal Education
- (iii) Economic Growth
- (iv) Maximum Employment
- (v) Maximization and Improving the Quality of Life

True, these are the objectives of any economic system, but that does not disqualify them from being the objectives of the Islamic economic system as well, particularly as they follow directly from Islam's own distinctive economic philosophy, and the reasons for the avowal of these policy objectives are not the same as in other economic systems.

(i) **SOCIAL JUSTICE.** Social justice follows from *al-Adl* since there can be no justice without a delicate balance among various social and economic forces. In fact, *al-Adl* requires that social justice must obtain in every walk of life so that Divine unity can be realized on the plane of social existence. Man has been commanded again and again to realize and maintain the quality of justice under all circumstances. In particular, in financial transactions the observance of this principle is absolutely essential for an orderly society:

"Give full measure and full weight, and wrong not people in respect of their goods" (*al-Qur'an*, 11:85). Furthermore, Man has been warned against concentration of wealth:

"[let] it (i.e. wealth) become not a commodity between the rich among you" (*al-Qur'an*, 59:7). Thus if *al-Adl* prevails in the society, an equitable distribution of wealth will result - which is what social justice is all about.

(ii) **UNIVERSAL EDUCATION.** Universal education, particularly at the primary level, is a very strong means of establishing *al-Adl* in the society. It not only is a powerful redistributive mechanism but is also required to equalize opportunities in order to bring out the best in Man. It is for this reason that Islam declares the acquisition of knowledge to be the most sacred pursuit of Man, who has been advised to pray constantly: "My Lord! increase me in knowledge" (*al-Qur'an*, 20:114).

(iii) **ECONOMIC GROWTH.** Economic growth in the Islamic perspective is required to attain dynamic social justice. Equity must hold not only within a generation but between generations as well. As such, economic growth cannot violate the requirement of *al-Adl*; the scarce resources of the society can neither be squandered away, on the consumption of the present generation, nor stored away for posterity beyond a certain point. In other words, the flow of consumption must be optimized not only at a given point in time but also over time. Such a strategy will rule out both a profligate

spending behaviour, which lowers domestic savings below the optimal level, and an excessive abstinence from present consumption, which forces saving to be above this level. It would, therefore, be obvious that the quality of *al-Adl* defines both the lower and the upper limits on the socially desirable rate of economic growth.

(iv) **MAXIMUM EMPLOYMENT GENERATION.** Economic growth must also maximize employment generation in order to make the greatest contribution to human happiness. However, for this to be an economically efficient process it is essential that capital-labour ratios correspond to the resource endowment of the country. In a labour-abundant economy like Pakistan's, the capital-labour ratio must be low enough for economic growth to generate maximum employment opportunities. This would, in turn, require an appropriate choice of techniques which, in the long run, can be promoted only by making heavy investment in human capital formation.

(v) **IMPROVING THE QUALITY OF LIFE.** The requirement of *al-Ihsan* will generally reinforce the process of securing *al-Adl*, because social justice requires the poor to be moved up and the rich to be moved down the scale of social hierarchy in line with the clear Qur'anic commandment, quoted above: "Whoso is rich let him abstain generously and whoso - poor let him take thereof in reason" (4:6). In the context of an economy like Pakistan's, it will take considerable social effort to improve the quality of life not only in financial terms but also in real terms. A diversion of real resources from the rich to the poor, without demanding any quid pro quo from the latter, will be necessary if abject poverty is to be eradicated and the opportunities for social advancement are made accessible to all.

THE CHOICE OF AN APPROPRIATE POLICY PACKAGE. The choice of an appropriate policy package aiming at the Islamic ideal must be governed by a clear realization of the fact that as *Imam* is "point of contact" will be the existing economic system. Hence, the success or otherwise of the Islamic Reform in the short run - i.e. during the "transition" from the existing to the Islamic economic system - will be judged by its capacity to handle the problems we face today - e.g. abject and relative poverty, low literacy levels and high

levels of open and disguised unemployment etc. A satisfactory solution to these problems should also lead the society to the Islamic ideal, for *al-Adl wal-Ihsan* cannot come about in a society plagued by these problems.

ESSENTIAL ASPECTS

For the Islamic reform to take effect, it will be essential to move towards the Islamic ideal gradually, encompassing all or most of the essential aspects of the social and economic life. In fact, the requirement that the Islamic reform be carried out in its essential multidimensionality will slow down considerably the pace of the Islamisation process, for the experience at each step of the implementation of the Islamic reform will have to be carefully analysed to permit a maximum of "feedback effect". It is only through a prolonged two-way interaction between the theory and the practice of Islamic economic philosophy that a systematic body of thought can emerge to provide reliable guidelines to the Muslim policy-makers.

What at present passes for the grandiose title of Islamic Economics is nothing more than a smattering of broad and vague ideas about the introduction of *Zakat* and the abolition of *Riba*, and the impression that Islamic Economics can be reduced to run these two elements. Such a claim is false because no complete economic system, such as Islam's, can be described merely in terms of one or two of its policy instruments. Furthermore, even if this could be done, the real meaning of these two important elements of the Islamic reform must be understood. It can easily be shown that the Islamic economic system is in fact a complete system which condones the exploitation of the poor by the rich to achieve high rates of economic growth. The institution of *Zakat* is really symptomatic of Islam's light, evolutionary economic philosophy. Now, to maintain that one can fully account for capitalism's exploitation or that a mere 2½ per cent tax on wealth will be sufficient to solve the problem of want and poverty and to bridge the yawning gap between the rich and the poor is to betray gross ignorance of the nature and magnitude of these problems in the present-day societies.

In fact, there is a real danger in the abolition of *Riba* and the introduction of *Zakat* are over-estimated. The abolition of the interest rate will certainly bring a

their implementation, then policy-making will concentrate on just these two elements to the exclusion of all else. Attempts will be made to achieve these 'targets' by one means or another irrespective of their effects on the economy. And once they are achieved, it may give everybody a false sense of accomplishment, as if all that was needed to be done had been done. Nothing could be more dangerous. After all, don't we have countries where gross social injustice prevails in violation of the requirement of *al-Adl wal-Ihsan* even though *Zakat* is the only form of taxation there and *Riba* has been abolished. In capitalist and poor societies, where economic exploitation is so great, such tendencies will be all the greater. The profit-sharing system (replacing *Riba*) may lead to a gross exploitation of the poor by the rich, and the 2½ per cent *Zakat* tax will prove to be insufficient to end economic injustice in the society. What is worse, nothing can be done about this state of affairs to the extent that the failure to end exploitation results from the reforms introduced in the name of Islam. One must never confuse ends with the means.

Another important point which has a direct bearing on the choice of an appropriate Islamic policy package is that specific elements of the package cannot be rejected just because they bear superficial resemblance to the policies pursued in non-Islamic economic systems. For instance, if Islam's emphasis on Man's limited economic freedom translates into a definite, though limited, role for private enterprise, then this is not Capitalism. By the same token, if Islam's commitment to *al-Adl wal-Ihsan* requires far-reaching land reforms and the nationalisation of banks and public-goods industries, then such recommendations cannot be rejected simply because they smack of communistic collectivising philosophy. These are just two examples of a general principle that formal similarities among some of the elements of different economic systems will always exist because all economic systems directly or indirectly grapple with the problems of scarcity, want and poverty. However, these similarities do not deprive any economic system of its originality or its distinctive character. The important thing is that, in each economic system, policy instruments should bear a direct relationship to its basic policy objectives and that the former should logically follow from the latter.

SUMMARY The discussion so far of the principal considerations concerning the choice of a policy package to initiate the Islamisation process can be summarised into five broad rules:

(i) The Islamic policy package must minimise the element of *ruim*—i.e. the lack of *al-Adl wal-Ihsan*—in the existing economic systems.

(ii) It must also move the society towards an Islamic system characterised by *al-Adl wal-Ihsan*.

(iii) The elements of the Islamic reform must be looked at in relation to its "totality"—i.e. the fact that Islam's is a complete socio-economic system.

(iv) Specific elements of the Islamic reform—e.g. land reforms, nationalisation, etc.—should not be rejected just because they bear a superficial resemblance to other economic systems.

(v) The pace of the Islamisation process must be slow enough to allow the existing economic system to change on a broad front and to maximise the flow of knowledge about how the Islamic system operates in practice.

To be concluded:

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IT SHOULD be clear by now that the most important, and relevant elements of the Islamic policy package must be those which conform with the overall Islamic requirement of *al-Adl wal-Ihsan*, minimise the element of *ruim* in the existing society—viz. absolute poverty, excessive income and wealth differentials, low literacy levels and a high rate of unemployment.

What can be done about these problems? The most important element of the policy package that suggests itself is a programme for 'Islamising' the institution of private property, which has been built upon feudalistic—capitalistic foundations. Other elements of the policy package are vigorous programmes of universal education, particularly at the primary level, and those providing social security in order to relieve absolute poverty. Measures designed to increase the employment content of the economic development process through an appropriate choice of techniques and those meant to regulate the rate of economic growth to preserve intergenerational equity should also compete for the attention of the policy-makers. A brief explanation of these proposals is given below.

PRIVATE PROPERTY According to some rough estimates, private property accounts for about one-third of the GNP in most of the

capitalistic countries. Similar estimates are not available for Pakistan, but it can be safely asserted that privately-held wealth—urban and rural property, including land, houses, jewellery, etc.—accounts for a large part of the inter-class income differentials. It follows that no programme of income redistribution can make much sense unless the distribution of wealth in the society is made equitable, to begin with.

MOST IMPORTANT

The most important element of wealth is landed property, which is not only the source of inequity but also of social tensions and moral degeneration in the society. It is, therefore, essential that steps are immediately taken to regulate this institution in a manner which conforms to the Islamic concept of trusteeship rather than that of ownership. The crucial question is: what form should (and can) State intervention take—particularly during the "transition" period—the transition from the present non-Islamic to the Islamic system—to translate the idea of trusteeship into a set of meaningful socio-economic relationships.

The central issue to decide in this context is the extent to which the Islamic Law of Inheritance allows a wider distribution of landed property outside the small circle of legal heirs to prevent intergenerational snowballing of wealth—i.e. each generation adding to the inherited wealth, which keeps on growing within the same family. With wealth come political power, privileges and social influence and it should clearly be the concern of the State to prevent, and to destroy if it is already in place, the system of family oligarchy, which tends to be the stronger antithesis, reactionary force in the society. Hence for anyone to take the extreme position that the Islamic Law of Inheritance effectively pre-empts any redistributive initiative of the State is really to condone a highly exploitative economic system. Such a position, whatever the cover of legality it may claim from the Law of Inheritance, is clearly against the spirit of *al-Adl wal-Ihsan*. Indeed, it is also against the spirit of the Islamic Law of Inheritance.

This Committee rejects such a narrow view of the matter and takes the position that there is considerable room for social reform in this vital area. While legal heirs of the deceased should be protected against any arbitrary action tending to deprive them of their rightful share in the wealth of their

parents, the intergenerational snowballing of wealth must be regulated to redistribute wealth among non-family needy members of the society and to prevent the growth of family oligarchies. It is proposed that every time wealth passes from one generation to another when its legal owner dies, each legal heir must be made to pay a registration fee up to a maximum of 30 per cent of the total value of wealth inherited by him or her. The percentage can be varied in the light of the financial conditions of the heir, the value of inheritance and the state of encumbrance of the property inherited.

FAMILY HOLDINGS

In addition to this, land reforms should be introduced to reduce the size of the family holdings of land. Steps should also be taken to promote the Islamic system of partnership (tenancy in place of the widespread practice of hiring out bare land for fixed rent, which, according to some *fuyahs* (theologians), is formally equivalent to *riba*). Furthermore, there is the explicit Islamic position that land not cultivated for three consecutive years should be taken away by the State, without paying any compensation to its owners, and given to those who can cultivate it. These measures should also lead to a more intensive and economic level of cultivation. To ensure rural-urban equity in line with the Islamic commitment to *al-Adl* will be essential to take similar steps to regulate the size of urban land holdings and other property. And in line with clear Islamic injunctions, all grazing lands, mines, natural springs and forests must be owned by the State. Also the non-Islamic practice of granting to individuals lands reclaimed through State-financed irrigation works must be discontinued.

(ii) **UNIVERSAL EDUCATION** As pointed out in Chapter 3, universal education, at least at the primary level, must form an integral part of the Islamic policy package both as a mechanism for redistributing income more equitably and as a measure for improving the quality of life. However, it should be kept in mind that education can have the maximum equalising effect only within the matrix of an economic system which distributes wealth more equitably. It is not enough that opportunities for education are made available: the financial capacity of all members of the society must also be improved to allow them to take advantage of those opportunities.

(iii) **EMPLOYMENT GENERATION AND ECONOMIC GROWTH** There can be no two opinions about a highly positive attitude of an Islamic society towards economic growth. However, it will place certain restrictions on the rate and the form of economic growth as well as on the policy mix designed to achieve a pre-assigned growth rate.

As pointed out in Chapter 3, the aim of public policy in an Islamic economy is to make economic growth contribute to the maintenance of *al-Adl* intergenerationally: the cost of economic growth borne by each generation should have some relationship to the benefits accruing to that generation. It follows that what public policy must be aiming at is *optimal* saving and not *maximal* saving. Such a 'balanced' policy will also require a proper mix of consumer goods and capital goods obtained through domestic production and/or foreign trade.

The second dimension of the problem concerns the *form* of economic growth. It is common knowledge that economic growth in most of the developing countries, including Pakistan, has been *immiserizing*—i.e. economic growth is adding to, instead of subtracting from, economic misery in the society—mainly because of a capital/labour ratio that is far too high in relation to their resource endowments: in labour-abundant countries a high capital/labour ratio makes growing unemployment consistent with economic growth. This state of affairs should be unacceptable to any economic system, the Islamic system being no exception. However, it should be noted that the problem is one of the choice of inappropriate techniques, in part due to bad planning. However, the prevalence of uneconomically high capital/labour ratios in labour-abundant developing countries like Pakistan is mostly due to the failure of such countries to evolve capital-saving methods of production. In other words, the problem is one of promoting appropriate technological change, which in turn depends on the supply of relevant technical education.

The third aspect of economic growth, which needs to be regulated to reflect Islamic intentions, is the exact strategy pursued to promote high rates of economic growth in mixed capitalism economies, such as Pakistan's economic growth has often been promoted by encouraging considerably investment through the private corporate sector. However, such a strategy has had very undesirable effects on the distribution of income and wealth. It should be clear that a

strategy which uses widening income differentials to finance high growth rates must be rejected as contrary to the Islamic commitment to *al-Adl wal-Ihsan*. It also follows that the role of the public sector must increase in an Islamic economy to promote capital accumulation. Not only that the public sector must also be called upon to produce, through State enterprises, wage goods consumed by the poorer sections of the society.

(iv) SOCIAL SECURITY AND ANTI-POVERTY PROGRAMME

The Qur'anic verse, "In their wealth, the beggar and the outcast (destitute) had due share" clearly points to an economic system wherein an individual's consumption level is not necessarily proportional to his income. The difference between these two magnitudes - viz. individual income and level of consumption - has to be made up by a social security programme which guarantees a minimum consumption level to the poor, the sick and the old in the society, and subsidizes the process of skill formation, particularly among those who live below the poverty line. This programme will also provide general medicine and "rehabilitative medicine" - i.e. artificial limbs hearing aids, etc.

RECOMMENDATIONS

SUMMARY The Committee's recommendations in this chapter can now be summarized.

(i) The Government should take immediate steps to curtail substantially the private ownership of property with a view to promoting a wider distribution of income and wealth outside the closed circle of individual families. In this connection, it is absolutely essential that the Islamic Law of Inheritance be implemented in its full multidimensional character, particularly in respect of that aspect of it which emphasizes the share of the non-family members of the society in national wealth. A registration fee, up to a maximum of 30 per cent of the total value of the wealth inherited by each heir, is recommended to prevent intergenerational snowballing of wealth within few families. Furthermore, land reforms should be carried out on the basis of the size of land held by the family and not by individuals. Corresponding steps must also be taken to regulate the size of urban property. Furthermore, all lands which have remained unencumbered for three consecutive years should be taken over by the State without paying any compensation to their owners. Also, grazing

lands, mines, natural forests, springs and lands reclaimed through State-financed irrigation should all be owned by the State and cultivated on its behalf.

(ii) The government should actively promote free and universal education, particularly at the primary level.

(iii) The rate and form of economic growth as well as the strategy of growth must be carefully reviewed to reflect Islamic economic philosophy. The rate of growth must be consistent with the requirement of intergenerational equity. The role of public sector in promoting capital accumulation and producing wage goods must also increase as a part of the Islamic reform. Heavy reliance on the private corporate sector to generate investible surplus must be discarded as a policy instrument.

(iv) The government should take steps to promote the growth of an economically efficient labour-intensive technology in order to increase the employment-generating content of the development programme. In this connection, emphasis should be given to the promotion of technical education.

(v) An elaborate social security and anti-poverty programme should be mounted to ensure a minimum consumption standard to the poor and to subsidize the process of skill formation among those living below the poverty line. The government should also take steps to supply medical care, including rehabilitative medicine, to the poor, particularly those residing in rural areas and urban slums.

SINGLED OUT

THE ISLAMIC POLICY PACKAGE-II Popular discussions of the Islamization process have singled out the abolition of *riba* (which is held to denote interest in all its modern manifestations) and introduction of *Zakat* to be the centre-pieces of the Islamic Reform. There is no denying the fact that in the Islamic economic system there is no place for *riba* and that *Zakat* will be an essential element of the Islamic fiscal policy. However, it is crucial to understand that what holds for an Islamic system may not be valid within the context of a capitalistic economy. As is well-known, the capitalistic system is based on the principle of limited liability because individuals have only limited knowledge about the working of big financial institutions and production units. It is entirely reasonable that limited knowledge should entail only limited risk. It follows that the institution of interest, symbolising

the limited-liability principle is entirely reasonable and fair within the matrix of the capitalistic system.

However, Islam rejects interest as unjust. What should then be done? The popular view asserts that the Islamic principle, being divine, would work in every economic system perfectly. Not only that. According to this view, Capitalism itself will be "purified" and work more efficiently if only *riba* were abolished and replaced by the not-so-divine principle of profit-sharing. The Committee rejects such views as both naive and harmful.

The Islamic injunction against *riba* constitutes a rejection of the entire capitalistic system. It is, in fact, a signal for a complete restructuring of the entire economic system along Islamic lines. The Islamic principle of *al-Adl wal-Ihsan* must be reflected in the basic consumption, production and distribution relationships. The abolition of *riba* will come about only as a part of this fundamental readjustment of the economy. To think of abolishing *riba* without reference to the "totality" of the Islamic economic system is to put the cart before the horse. In fact, there is a real danger that the abolition of *riba* and its replacement by the profit-sharing system will increase the level of economic exploitation of the poor by the rich, thereby negating the basic Islamic principle of *al-Adl wal-Ihsan*.

The following paragraphs will clarify the Committee's stand-point both on the question of *Zakat* and on the abolition of *riba*. A few proposals will be given on how to deal with the latter problem.

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THE Committee fully supports the Government's decision to introduce *Zakat* as a part of its bid to introduce Islamic values into the Pakistani society. However, it will be a gross confusion to consider *Zakat* to be an end in itself and to hold the naive view that once this is done the economic problem will more or less be solved.

It is the Committee's opinion that such emotionalism must be avoided. Things must be seen in their proper perspective and not exaggerated out of all proportions. It is important to look at *Zakat* as a limited step to raise resources to finance the elaborate social security and anti-poverty programmes which will be essential elements of an Islamic economic system. The basic thing is to offer an Islamic solution to the problem of poverty and of an uneven distribution of wealth in the society. In that perspective, *Zakat* is only one of the policy instruments to achieve the objective of an Islamic economy.

OTHER TAXES

It is essential to realise that the imposition of Zakat does not preclude the imposition of other taxes - not only on income but also on wealth. The comprehensive and revolutionary Islamic conception of *rafq* - "And they ask thee what they ought to spend. Say: That which is superfluous" (al-Qur'an, 2:219) - should be the focal point of our thinking on how much resources should be transferred from the rich to the poor. It was this conception which led Hazrat Abu Dharr, the distinguished companion of the Holy Prophet (peace be upon him), to his revolutionary view that absolute equality must hold in the distribution of income and wealth.

ABOLITION OF RIBA: The Committee is strongly of the opinion that popular discussion on *riba* does not show a full understanding of the complex nature of the problem. Firstly, it will be an exaggeration to maintain that the *ruim* (social injustice) in the society can be entirely explained in terms of the existence of a positive rate of interest. In fact, it is profit that is by far the most important source of economic exploitation in a capitalistic society. Hence, while means must be found to abolish *riba* albeit in very small steps, any proposal to replace it by profits will not necessarily be a step towards the Islamic ideal insofar as it negates the objective of *al-Adl* (justice).

Secondly, as noted above, an economy-wide abolition of *riba* can come about only within the context of far-reaching readjustments in both the 'real' sector - consumption, production and distribution relations - and the financial sector of the economy. Thus to maintain that the abolition of *riba* is the first step towards, or even the necessary precondition of, an Islamic economy is a gross inversion of 'priorities' in the realm of policy-making.

Thirdly, in a capital-scarce economy, like Pakistan, it is meaningless to even talk of a zero rate of interest. The real question is not how to abolish interest rate, or even how to lower it; the problem is how to replace it with a system which reflects more accurately the opportunity cost of capital. It may be noted parenthetically that the interest rate in Pakistan has not performed this function adequately: the 'real' rate of interest in Pakistan has mostly been negative. However, this is not

an argument for abolishing interest, but for raising it to an appropriate level. The problem has assumed greater importance in the context of the severe bouts of inflation Pakistan has experienced since 1971. Inflation has not only tended to discourage saving, it has also encouraged investment (in nominal terms), thereby widening the gap between investment and saving.

IN SEARCH OF VIABLE ALTERNATIVES The Committee, after taking account of these and other considerations, set out towards the end of this chapter, has rejected the widely held opinion that the profit-sharing system can completely replace interest within the matrix of the economic system in operation at present. Instead, it proposes:

(i) A limited scheme for giving interest-free loans as a subsidy.

(ii) For the banking sector, a comprehensive non-automatic system of indexing which will be symmetrical with respect to bank deposits and bank advances.

(iii) A system of Investment Auctioning for long-run advances by financial institutions, including banks.

(iv) An investment company which invests in risky ventures on behalf of the banks on the basis of profit-sharing, and

(v) A long-run solution to the problem which relates the abolition of *riba* directly to the process of restructuring the real and the financial sectors of the economy along Islamic lines.

(i) INTEREST-FREE LOANS

Since capital commands a scarcity price in Pakistan, interest-free loans will constitute a net subsidy to the borrowers, the size of the subsidy depending on the level of the real rate of interest in the economy.

As noted in Chapter 4 and 5, the government may have to subsidise the production of wage goods. To the extent the private sector undertakes the production of such goods, interest-free loans may be extended to it. However, the subsidy given in this form would partly or wholly preclude the fiscal subsidies normally given to the private sector. In fact, it is possible to generalise this system to 'cover' most of the private sector. It should be noted that the subsidy given in this form will be in the nature of a permanent subsidy - i.e. once it is extended as a part of the Islamisation package, it cannot be withdrawn. Hence, it will be essential to impose additional taxes on those industries for which the subsidy is no longer needed.

SMALL HOUSES

Interest-free loans may also be given to those sectors which require permanent subsidisation by the government. The construction of small houses, particularly those built in rural areas or urban slums, need to be subsidised. Furthermore, local initiative in the construction of hospitals, nursing homes, modest schools and small-scale industries in the rural areas should be encouraged through this policy.

(ii) INDEXING TIME DEPOSITS AND BANK ADVANCES As pointed out above, in the persistent inflationary situation that the world (and Pakistan) will have to live with for quite some time in the future, it is essential that steps are taken to encourage saving and promote a most economical use of investment resources. Inflation cuts both ways - it discourages saving and favours borrowing for investment. The longer the period for which savings are kept or borrowing sought for, given the rate of inflation, - or the higher the rate of inflation, given the period for which saving and borrowing are done - the greater will be the disequilibrium between investment and saving. It is for this reason that periods of high inflation are associated with rising rates of interest. Any proposals to abolish the institution of interest from the banking system must keep these considerations in view together with the fact that the return on saving, or the cost of borrowing, must not be fixed in advance, for that would be *riba*.

The proposal to index time deposits and bank advances to the rate of change of the price level satisfies all these requirements. Each year the State Bank may decide the percentage by which the nominal value of bank deposits (i.e. time deposits) and bank advances should be escalated. The indexing need not be automatic, nor does it need to be one hundred per cent. All that is being proposed is that the indexing be some multiple of the rate of inflation. It could be less or more, than, or equal to, one hundred per cent, depending on the size of the required return (cost of saving (borrowing) is being done).

LEGITIMATE

The proposed system is Islamically legitimate because borrowing will be some percentage of the rate of change of the price level - a variable quantity. On a limited scale, it

will also be economically viable and a perfect alternative to the interest-bearing option. In fact, there is a decisive advantage in the proposed system over the existing interest-based system: it makes inflation-conscious all those who stand to gain most by inflation, namely the bankers and the borrowers. Since there is a definite cost attached to it, everyone will have a 'vested interest' in controlling the rate of inflation. The proposal is also administratively simple—a decisive advantage over the administrative nightmare that the proposed profit/loss-sharing system will inflict on the policy-makers.

(III) INVESTMENT-AUCTIONING SYSTEM: The proposal is designed to provide a mechanism to regulate the terms on which long-term lending is done by financial institutions and takes into account, as far as possible, considerations of social profitability in private investment decisions. The proposed system can be operated as an alternative to, or in conjunction with, the system of indexing loans to changes in the price level. Under this system, the financing institutions will periodically auction investment authorisations to investors through the market mechanism. This procedure will make it possible for the investors to take into account the scarcity price of capital, which will be high and positive in a capital scarce economy, in making investment decisions in order to prevent an unnecessary 'cornering' of investment authorisations by a few bidders and also to reflect social investment priorities; the auctions will take place periodically according to the following scheme:

The Government, in consultation with the Planning Commission and other responsible authorities, will parcel out total investment resources into several categories of investment to be specified in an investment schedule. Each broad category of investment in the investment schedule would be assigned a maximum monetary limit. Auctioning will stop in a particular category once the monetary limit assigned to it is reached.

This system will achieve both of the objectives stated above and will ensure that total investment resources are not all forced into those uses which are considered to be the most profitable from the point of view of individual investors. It will also prevent overcapitalisation and excess capacity and will not allow the capital-labour ratio to go too far out of line with the resource endowment pattern of the country.

It may be asked whether this system has an element of risk built

into it. The answer is in the negative. All that is envisaged in the scheme is that the investors will be allowed possession of scarce investment resources only at a price, which will correspond to the prevalent scarcity of capital resources. The scarcity price will not be fixed in advance; instead, it will be determined by the supply of and demand for investible funds.

(IV) INVESTMENT COMPANIES: The profit-sharing arrangement, while unfeasible as a substitute for risk on an economy-wide basis, can be usefully employed to promote interest-free investment on a limited scale. However, two basic amendments have to be made to this arrangement before it can work in practice: (i) The profit-sharing system must somehow incorporate the principle of limited liability without which no economic system based on capitalistic principle can work; and (ii) This arrangement will operate within the overall interest-based system, so that it is only one option among many available to the investors.

These general principles can be incorporated through investment companies, which, being more knowledgeable about the working of the financial system, can minimise risk under condition of uncertainty. Since they will be managing an investment portfolio, they will not bear any loss but will charge a commission for their services. Under this system, banks will be investing through these companies the funds made available to them by those depositors who wish to take risk. This is not only Islamically legitimate but makes economic sense as well because the risk will be borne by those who are not risk-averse, this latter class still having the option of risk-free, interest-bearing investment.

LIMITED LIABILITY

It may be objected that the proposed arrangement is not Islamically legitimate because, according to it, the individual liability to risk is limited. This may be so, but, as pointed out above, the profit-sharing system can work within the capitalistic system only on the basis of limited liability. And in making a transition to the Islamic system there is no option available to the policy-maker but to accept the present financial structure as the natural starting point for introducing bits and pieces of the Islamic reform. The problems of the transition period, when we have

to work with non-Islamic system, will be inevitably different from those faced in a full-fledged Islamic economic system. During this period only 'second-best', or even 'third-best', solutions will be available.

(V) THE LONG-RUN SOLUTION: How far can we go down the road leading to the economy-wide abolition of risk with the help of the above-mentioned measures? Not very far. As far as the banking sector is concerned, the proposals will 'cover' only time deposits on the 'liabilities side' and bank advances on the 'assets side' of the commercial banks' 'T-Accounts'. These proposals will not in any way change the status of the interest-bearing securities. This is because the interest-bearing government securities in Pakistan account for all the "secondary reserves" of the commercial banks and for about 73 per cent of their total reserves, which form the basis of money creation through the banking system. Hence, if these are abolished, the 'monetary base' will shrink by about three-quarters, causing a sharp fall in the money supply. These securities also offer an outlet for short-term, riskless investment of their "excess reserves" by commercial banks because the risk of loss on sale is zero on securities—a feature that makes them both highly liquid and marketable. It is for this reason that the money market, of which the banking system is an important part, uses interest-bearing government securities to perform effectively their risk-minimisation function—i.e. the function of keeping a proper balance between securities and equities, and among equities of differing maturities.

The spread of risk, ranging between the zero risk and the high-risk investment options, is called the 'interest-rate structure'. This range is the continuum through which monetary policy makes an impact on the 'real sector' of the economy. This holds not only for those policy instruments which formally involve manipulation of the interest rate—e.g. the Bank Rate and the Open Market Operations—but also for those which do not carry a similar involvement—e.g. variations in the cash reserve requirements. In terms of their effect on the financial and real sectors of the economy, all these instruments are equivalent because they all operate on the same "interest-rate structure". Interest-bearing government securities also form the most important source of the non-inflationary and inflationary finance to the government.

By issuing long-term securities, the government raises non-inflationary loans from the public, while inflationary finance requires the issuance of short-term deposit receipts, against which the State Bank prints new money. It is thus clear that interest-bearing securities form the hub of the entire monetary structure, which would collapse if they are abolished: monetary policy, in the traditional sense, will cease to be operational, while government will have no way of raising non-inflationary, non-tax finance.

It follows that so long as the capitalistic structure of the economy continues unchanged, there is a definite limit beyond which the process of abolishing interest can not go. The Islamic reform, aiming at the abolition of riba must therefore remain 'partial', 'covering' only a small part of the economy. What should then be done? Can't we ever abolish riba on an economy-wide basis? Not if we persist with the capitalistic economic system, where the financial and real sectors of the economy are linked together through the money market and where investment and saving decisions are made independently by atomistic "economic agents". An economy which operates on a limited-liability basis can never completely do away with riba if only because a large class of small savers are risk averters. All this must change if the ultimate goal is the abolition of riba.

MONETARY CREATION

There is no way to abolish riba on an economy-wide basis unless the process of monetary creation is directly linked with the process of production and both the saving and investment activities are perfectly co-ordinated. This, in effect, means that the public sector must become not only the saver and investor but also the producer. Furthermore, the entire banking system will have to be effectively nationalised (as has

already been done in Pakistan) and then operated *only* as a means of providing finances *directly*—and *not* through the money market which will cease to be—to meet the liquidity requirements of the real sector of the economy.

But can we do all this? It is not Socialism that we are advocating? Not at all! As has been shown, this solution follows directly from the logic of the Islamic Reform. We don't have to step outside of the Islamic system to reach a stage the basic features of which have been delineated in this section. As pointed out in Chapter 4, we do not reject a solution just because it resembles the one offered by Socialism. For if we were to use this logic consistently we will also not be able to advocate an economy run mainly on the basis of profits—which is the linchpin of Capitalism. If we can't have a private sector because it reminds us of Capitalism and a public sector because it smacks of Socialism, what else shall we have for the Islamic system? A complete answer to this question can be given only when an Islamic economy, based on *al-Adl wal-Ihsan* has become fully operational. Only then, through the process of learning-by-doing, shall we come to recognise an Islamic economy just as we recognise Capitalism and Socialism. Till that time, we must move slowly and steadily towards the ultimate goal, concentrating first on those aspects of the Islamic solution which come to grips with the problem of poverty, want and economic deprivation.

RECOMMENDATIONS

SUMMARY Now to summarise the main recommendations of this chapter.

(i) The proposal to substitute profit-sharing within the existing economic system for the interest-based system should be rejected. Any such attempt, besides being incompatible with the basic conception of a capitalistic economy like Pakistan's, will make it impossible for the State Bank to

conduct monetary policy in the traditional sense.

(ii) *No attempt should be made to replace interest-bearing government securities by equities.* For such a step would (a) deprive the government of any means for inflationary or non-inflationary borrowing; (b) knock out the secondary reserves of the commercial banks, thereby putting severe constraints on money creation; and (c) make the money market ineffective in its main task of risk minimisation.

(iii) On the limited plane of the commercial banking operations, interest-bearing deposits and advances to the private sector may be indexed to the changes in the price level. The indexing percentages will be announced at the end of each year by the State Bank as a certain multiple of the rate of change of the price level.

(iv) Long-run loan-financing by the financial institutions may be done through a system of investment-auctioning.

(v) Interest-free loans may be given as a subsidy to small-scale industries, modest construction activity, etc.

(vi) As one of the options for profitable investment, it is being proposed to establish investment companies which invest on behalf of the commercial banks on the basis of profit-sharing. These companies will not share any losses but will work for a commission. The profits and losses will be passed on to the banks, which will distribute them among those who deposit their money in a special interest-free bank account.

(vii) *However, in the long-run, riba can be wholly abolished only if the economy is completely restructured in a way that renders the institution of interest redundant.* This will involve a complete dovetailing of the process of money creation and the productive activity in the 'real' sector of the economy. The process of money creation, instead of being conducted indirectly through the money market, will have to be linked directly to the real sector.

(Concluded)

PAKISTAN

BRIEFS

EGG PRICES UP 50 PERCENT--Fifty per cent increase in the prices of eggs was made by the sellers and consumers have appealed to the district administration for early crack down on the traders to curb the blackmarketing. The traders unilaterally increased the rates of Desi and Shaver eggs from Rs. 7 and Rs. 7.50 to Rs. 10 and Rs. 10.50 respectively without any justification. The retail shopkeepers are selling one egg at Rs. 1. The Peshawarites appealed to the Deputy Commissioner, Mr. Khalid Mansour for ban on export and storage of eggs and bringing down of the prices of the previous level. The prices of tomatoes in the local market also doubled due to its export to the other parts of the country. [Text]
[Peshawar KHYBER MAIL in English 24 Nov 80 p 1]

CSO: 4220

'FLOATING RATES' POLICY EXPANDED

Mainla PHILIPPINES DAILY EXPRESS in English 19 Nov 80 p 9

[Article by George T. Nervez]

[Text]

THE CENTRAL BANK will allow banks to charge floating rates of interest on two-year loans, to encourage more longer-term financing from financial institutions.

CB Gov. Gregorio S. Licaros said yesterday that the new policy was supposed to be adopted by the Monetary Board, the CB's policymaking body, during the regular meeting last Friday.

Licaros also brushed aside complaints and suggestions that the reference rate used as the basis for the floating interest rate is very low.

He explained that the reference rate is based on the actual cost of funds (in the form of time deposits) which banks borrow from the public.

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AT PRESENT, banks are allowed to charge floating interest rates on loans with maturities of more than four years.

The CB decided to grant the same rates on two-year loans because banks were interested in granting financing with maturities of over four years.

The banks pointed out that they could earn the same if not more from two-year loans than those with maturities of over four years.

For instance, the CB has fixed the floating interest rate for the interest period, Nov. 1-15,

1980 at 17 percent. This means that banks can charge up to 20 percent on loans with maturities of over four years.

Banks point out that at the prevailing MRR for floating interest rates, they can earn more by granting two-year loans at fixed interest of 21 percent.

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THE FLOATING interest rates are based on the Manila Reference Rate (MRR), which is fixed by the CB once every 15 days. The guidelines regarding the extension of long-term loans with floating interest rates took effect starting September 1, 1980.

The CB bases the MRR on the weighted average of the interest rates paid by the five banks with the largest volume of business transacted during the immediately preceding 90 days on time deposits with maturities of more than 730 days.

Under the rules, the interest rate on a floating rate loan during each interest period shall not exceed the current reference rate on the first day of an interest period plus a margin agreed upon by the parties to the loan.

On top of the reference rate, banks are allowed to charge an additional three percent margin (inclusive of all charges) on loans with maturities of over four years.

Experience shows that the CB has always been late in fixing the reference rate. No rate has yet been fixed for the current interest period (Nov. 15-30). The past MRRs were announced by the CB midway during the interest period.

GOVERNMENT PURSUES DEVELOPMENT OF EXPORT PROCESSING ZONES

Manila PHILIPPINES DAILY EXPRESS in English 20 Nov 80 p 20

[Text]

AS MORE and more investors show their faith in the Philippine EPZs, EPZA continues to pursue its development programs with matchless vigor.

In Batangas, construction work is now being concentrated on further enhancing the Zone's position as a viable industrial community. Five projects, all directed towards this end, are under construction. These are: the 200-bed hospital, the integrated sewage treatment plant; the 69 KV permanent station; the executive housing electrical system; and the asphaltting of the road-Project II.

The authority has already completed a 256-unit economic housing project. Aside from this, the construction of a pumping station and the repair of the 13" main water pipeline were also completed.

At the Mactan Zone, on-going development work has visibly transformed the once rustic atmosphere into a pulsating industrial setting.

Of the seven major projects scheduled for completion this year, five have been completed or in the final stages of construction. These are: the

administration building, the two standard factory buildings (SFB), the storm drain and sewer system; the road network; and 13.8 Kv primary distribution system. The other projects awaiting completion are: the pipe-laying of 5.5Km and the Water tank No. 2 including the main distribution line.

Last July, the authority constructed two deep wells and two 10,000 KVA power substations. Last August, the Authority energized the 69 KV transmission line and the two 10,000 KVA substations. This was followed several days later by the activation of the first circuit from the 13.8 KV Distribution system which feeds Fairchild Philippines and TMX Philippines.

These developments are gradually being repeated at its sister zone in Baguio City.

By December this year, four major projects will be completed at the BCPZ. These are: the one-million gallon water tank; the water distribution system; the Two Standard Factory Buildings (SFBs); and the administration building.

FUNDS SET ASIDE FOR COUNTRYSIDE DEVELOPMENT

Manila PHILIPPINES DAILY EXPRESS in English 18 Nov 80 p 2

[Text]

THE GOVERNMENT and an international organization have allotted some P32 million to speed up the development of the countryside by providing income opportunities to small fishermen, farmers, landless agricultural workers and agricultural tenants, it was announced yesterday.

Natural Resources Minister Jose Leido Jr. said the program is a joint project of the government and the United Nations Development Program-Food and Agriculture Organization.

Leido said the program seeks low-income families to form groups which would engage in economic activities designed to increase their income and productivity.

THE UNDP-FAO, Leido said, has contributed some \$4.4 million for the project, which will, among other things:

- Provide a medium for the training of group organizers and participating project staff from line department agencies involved in organizing the rural poor for self-help projects.
- Provide an effective machinery for project administration including development support and communication, and an effective system of project monitoring and evaluation to strengthen and enhance the delivery of mechanisms of government programs which provide the inputs and services to the rural poor.
- Stimulate and give impetus to development-oriented action-based research, through a system of linkages with research and academic institutions, on how the disadvantaged groups become more self-reliant and active participants in the development process.
- Provide opportunities for career advancement and skill development.

PHILIPPINES

BRIEFS

COPRA EXPORTS DROP--Philippine copra exports in October fell to 1,500 tons from 5,106 in the preceding month and 5,500 in October last year, official statistics show. Total copra exports in January to October dropped to 101,758 tons from 125,350 in the same 1979 period. Philippine Coconut Authority figures also show that coconut oil exports in October fell to 82,886 tons from 85,979 in September but rose from 61,976 in October last year. Total coconut oil exports in January/October rose to 693,539 tons from 662,081 in the same period last year. Meantime, reports said that for October: Malaysia's crude palm oil output is estimated to have dropped some 17 to 18 percent to around 224,000 to 228,000 tons in October from 273,565 tons in September. (Text) (Manila PHILIPPINES DAILY EXPRESS in English 18 Nov 80 p 15)

(S): 6220

ACCELERATION OF INDUSTRIAL RESTRUCTURING PROGRAM

OW301447 Taipei CNA in English 1346 GMT 30 Nov 80

[Text] Taipei, Nov. 30 (CNA)--The government will take steps to accelerate the development of the petrochemical and heavy industries and modernize the current light industry in its industrial restructuring program, according to Economic Minister K. S. Chang.

Speaking at the 45th annual conference of the Chinese Institute of Engineers at the Chungshan building on Yang Mingshan yesterday, Minister Chang said the Republic of China is facing more difficulties in its effort to restructure its industries because it has problems in achieving a balance between the supply and demand of energy, the rising prices of oil and other energy sources, the growing wave of protectionism from the industrialized countries and the growing competition of other developing countries that use their cheap labor to sell their products in the industrialized nations.

After the completion of the 10 major projects in Taiwan, the nation's industrial development is undergoing a drastic change. "We have to develop more high-technology-intensive and capital-intensive industries in order to meet future needs," Minister Chang told his audience.

The major steps the government will take, according to Minister Chang, include:

--Overseas investment: The government will encourage local public and private enterprises to set up plants overseas in an effort to secure more raw materials. For instance, the Taiwan Fertilizer Co. is now building a fertilizer plant in Saudi Arabia for the production of ammonia and urea for domestic needs in the future;

--Production of heavy machinery: The joint-venture between Taiwan Power Co. and General Electric Corp. of the United States in the production of turbine generators and other facilities to be used for nuclear power generation and chemical factories.

--Construction of heavy-duty trucks and big automobile plant: Within the next two years, Taiwan will be able to produce trucks and passenger buses from a joint venture plant between Taiwan Machinery Manufacturing Corp. and the General Motors of the United States. In addition, the government is now

selecting one of the two Japanese carmakers to invest in Taiwan through a joint venture project for [word indistinct] annual production 200,000 compact cars.

--Chemical industry: the emphasis will be placed on the production of high-quality chemical products.

The conference was presided over by David S. L. Chu, chairman of the institute and attended by several hundreds of local engineers.

CSO: 4220

BRIEFS

DOLomite MINE--Taipei, 19 Nov (CNA)--The Taiwan Provincial Bureau of Mines has found a dolomite mine with an estimated deposit of 300 million metric tons in Hualien County. A deposit of some 120 million tons of dolomite in the county has been confirmed before. All the dolomite production was sold to the China Steel Corp. for steel refining. The government plans to export dolomite to Japan after the fourth stage expansion of the Hualien harbor. [Text] [CW211153 Taipei CNA in English 1427 GMT 19 Nov 80 OW]

ROK SCIENTIFIC, TECHNICAL COOPERATION--Taipei, 24 Nov (CNA)--Metal and mining experts from South Korea and the Republic of China Monday started discussions on scientific and technological cooperation. Addressing the opening ceremony Dr Shu Shien-siu, chairman of the National Science Council, said the two countries share identical problems in the metal and mining industry and should work out common methods to cope with the lack of metal resources. The meeting will continue Tuesday. From Wednesday through Saturday, participants in the meeting will make field trips to Taiwan Aluminum Corp., Taiwan Metal Mining Corp. and China Steel Corp. [Text] [Taipei CNA in English 1429 GMT 24 Nov 80 OW]

URANIUM FROM U.S.--Taipei, Nov 27 (CNA)--The American Government is willing to provide the Taiwan Power Company (Taipower) with the uranium enrichment service needed for its projected fourth nuclear power plant. Taipower's president David Chu, who recently returned after attending an international conference on nuclear energy in the U.S., disclosed that the U.S. Government is willing to sign contracts with Taipower to provide such a uranium enrichment service for the two generators in the fourth nuclear power plant. The plant is still on the drawing board, but Taipower sources said that the go-ahead for construction is in the offing. Chu attended the atomic industrial forum held in Washington D.C., from November 16 to 21. He also attended a meeting of the American Nuclear Society. During his stay in the U.S., he also met with officials of the State Department and the Nuclear Regulatory Commission. The Taipower president also reported that five nuclear power generator makers in the United States, France, and West Germany have shown interest in providing the generators for the proposed plant. The five are General Electric Co., Westinghouse Electric Corp. and Combustion Engineering Corp. of the U.S., Framatome of France, and Kraftwerk Union of West Germany. [Text] [OW271011 Taipei CNA in English 0940 GMT 27 Nov 80]

LESOTHO MINISTER VISIT--Taipei, Nov. 25 (CNA)--H.E.V.M. Makhoal A, secretary general of Basotho National Party and concurrently minister of co-operatives and rural development of the Kingdom of Lesotho, Tuesday called at the Ministry of Foreign Affairs, and met Vice Minister Edward Y. Kuan for exchange of views on the relations between the two countries. Earlier in the morning, Makhoala called at the Council for Agricultural Planning and Development, and the government information office, and attended a briefing on functions and operation of the two government agencies. [Excerpt] [OW251311 Taipei CNA in English 1338 GMT 25 Nov 80]

MERCHANT FLEET BUILD-UP--Taipei, 30 Nov (CNA)--The nation's merchant fleet is building more new ships to replace its old ships to provide better service in carrying export and import cargoes to and from Taiwan, an official of the Ministry of Communications said Sunday. Y.C. Sha, director of the Department of Statistics of the ministry, reported that during the first 9 months of this year, Taiwan had a fleet of 176 ships with a total aggregate deadweight capacity of 2.686 million tons, a decline of 6 ships but an increase of 91,000 dwt over the same period last year. Despite the decline in the number of ships, Sha said, the nation has newer ships to serve various international and domestic routes. He said the ministry will continue to encourage local shipowners to build more ships in place of their old ships so that they can render better services in the coming future, and above all, increase the percentage of their market share in the handling of inbound and outbound cargoes. According to the statistics, the share of cargo services during the first 9 months of this year stood at 22.24 percent or 9.458 million tons, out of 42.511 million tons of the foreign trade cargo. During the same period last year, the share was 23.38 percent or 9.016 million tons out of the total 38.563 million tons of inbound and outbound cargoes. [Text] [OW010555 Taipei CNA in English 1341 GMT 30 Nov 80 OW]

SHIP DESIGN IMPROVEMENT CALL--Taipei, 1 Dec (CNA)--Admiral Soong Chang-chih, chief of the general staff, Sunday called on shipbuilding engineers in this country to raise ship design capacity and improve design technique in a step to further promote development of the nation's shipbuilding industry. Speaking at a meeting of the Society of Shipbuilding Engineers, Admiral Soong said shipbuilding engineers here should be in constant preparedness to cope with government calls for immediate support of combat missions of mainland recovery. For this purpose, engineers should do their best to accelerate design capacity and establish their authority in the field of ship design, Soong said. Admiral Soong expressed the hope that the government should adopt legislation to encourage shipbuilding and build satellite factories in support of the shipbuilding industry. [Text] [Taipei CNA in English 0235 GMT 1 Dec 80 OW]

ENERGY PROGRAM FOR 1981--Taipei, 1 Dec (CNA)--Authorities concerned have mapped out an energy supply and demand program for 1981 with total amount balanced at an equivalent of 37,234,000 kiloliters of oil, an increase of 4.67 percent over last year. Of the total, 31,721,000 kiloliters will be imported, accounting for 85 percent of the total demand, including coal, crude oil and nuclear energy. Only 5,513,000 kiloliters or 15 percent will be supplied domestically,

including coal, crude oil, natural gas and hydroelectric power. The government has also given the following guidelines for energy development next year: strengthen research on energy economy; map out energy supply, demand and development plans; set up an energy research fund; readjust energy prices reasonably. [Text] [Taipei CNA in English 0233 GMT 1 Dec 80 OW]

STEEL INVESTMENT PROGRAM--Taipei, 29 Nov (CNA)--China Steel Corporation's proposed investment increase for its second-stage expansion project to NTdollars 55 billion from the original estimate of NTdollars 51.34 billion was approved by the Council for Economic Planning and Development. According to the state-run steel corporation, the increase was necessary because of soaring oil prices, inflation, the upgrading of specifications, and the additional procurement of 127 hectares of land for construction. CSC's expansion project was started July 1978 and is scheduled to be completed June 1982. After the completion of the project, CSC will have an annual production capacity of 3.25 million metric tons of steel products. [Text] [Taipei CNA in English 0239 GMT 29 Nov 80 OW]

ST KITTS DELEGATION--Taipei, 29 Nov (CNA)--Upon the invitation of the government of the Republic of China, Dr Kennedy A. Simmonds, premier and concurrently minister of trade, industry and development, home and external affairs of St Kitts-Nevis, accompanied by Michael O. Powell, minister of agriculture, land, housing, labor and tourism; Ivor A. Stevens, minister of communications, works and public utilities, and other high-ranking officials, arrived in Taipei on 24 November for a 7-day visit. While here, they called on Premier Sun Yun-hsuan; Minister of Foreign Affairs Fu-sung Chu; Minister of Economic Affairs Chang Kwang-shih and other high-ranking government officials. They also visited the cultural and economic establishments of the Republic of China and were deeply impressed by the political stability, the economic prosperity and the social welfare of the Republic of China. They are scheduled to depart on 30 November. [Text] [Taipei CNA in English 1351 GMT 29 Nov 80 OW]

COMMERCE MEETING DELEGATION--Taipei, 25 Nov (CNA)--A 59-member delegation left here Tuesday for South Korea to take part in the eighth plenary meeting of the Confederation of Asian Chambers of Commerce and Industry slated for 26-28 November in Seoul. Topics to be discussed at the meeting will center on regional cooperation development in Asia, including trade cooperation between the developed and developing countries, and cooperative exploitation of natural resources among Asian countries. Traders from Australia, India, Nepal, Japan, New Zealand and the Philippines will also participate in the meeting. Meanwhile, delegates from the United States, Hong Kong and Singapore will be present as observers. [Text] [OW251649 Taipei CNA in English 1431 GMT 25 Nov 80 OW]

EUROPEAN-ASIAN SEMINAR DELEGATION--Taipei, 25 Nov (CNA)--Member mission left Tuesday for Paris to take part in the third European-Asian seminar slated for 26-27 November. [sentence as printed] Topic for the meeting will be "New Model of Diplomacy." Participants in the seminar will discuss diplomatic practices of East Germany, Israel, Palestine and the Republic of China, and the economic and diplomatic relations between the Republic of China and the

European Economic Community. Tu Heng-chi, dean of Liberal Arts of Soochow University and head of the Chinese mission, will preside over the opening ceremony of the seminar, which is sponsored by the Asia and the World Forum. After the meeting, the Chinese scholars will visit European countries and the United States. [Text] [Taipei CNA in English 1355 GMT 25 Nov 80 OW]

GARMENT EXPORTS INCREASE--Taipei, 25 Nov (CNA)--The Republic of China's garment exports this year are estimated to reach USdollars 2.4 billion, an increase of 20 percent over the total of USdollars 2 billion of the previous year. A breakdown of the export amount of various items shows that exports of knitwear this year are expected to reach USdollars 1 billion, woven garments USdollars 900 million, and sweaters USdollars 500 million. In 1979, exports of knitwear totaled US dollars 820 million, woven garments US dollars 750 million, and sweaters US dollars 430 million, according to customs' statistics. Industrial sources said that local garment exporters have been successful in diversifying export markets in the past few months. [Text] [Taipei CNA in English 0303 GMT 24 Nov 80 OW]

TRADE TALKS WITH JAPAN--More than 160 trade representatives from the Republic of China and Japan Monday afternoon began their 3-day talks on promoting a balanced trade between the two countries. The Chinese delegates headed by Dr Chang Yen-tien, chairman of the Association of East Asian Relations, suggested to their counterparts that Japan increase purchases from Taiwan and relax qualifications of preferential tariff for Taiwan-made products to narrow the trade gap between the two countries. The Japanese 68-member mission, which arrived in Taipei Sunday, is led by (Teiso Horikoshi), chairman of the Interchange Association which handles the ROC-Japan trade relations following the break of formal ties in 1972. The trade talks proceed in four groups and end on Tuesday. [Text] [OW261003 Taipei International Service in English 0100 GMT 25 Nov 80]

PRESIDENT ADDRESSES FINANCIAL OFFICIALS--Taipei, Dec. 2 (CNA)--President Chiang Ching-kuo Tuesday asked all government organizations to make a thorough review of the work they have done in 1980 so as to improve their work in 1981. President Chiang gave the direction at a meeting of high-ranking economic and financial officials, which was held at the presidential office Tuesday morning. He also asked the financial and economic branches of the government to improve their administrative efficiency, provide more assistance to private enterprises, and attract more investments from abroad to help accelerate economic development in this country. President Chiang said technical training is essential to the development of technology-intensive industry in this country. He asked all government organizations concerned to map out detailed plans for the promotion of technical training, especially for the data processing industry. The president also urged all the people and government organizations to bring the traditional virtues of diligence and frugality into full play so as to accumulate more savings for national reconstruction. [Text] [OW021431 Taipei CNA in English 1410 GMT 2 Dec 80]

SUPPLEMENTARY BUDGET REQUESTED--Taipei, Nov. 28 (CNA)--In order to actively carry out some important administrative measures in an effort to stabilize this nation's economic growth during the current fiscal year, the government is asking for a supplementary budget, Premier Sun Yun-hsuan said Friday. Speaking to a meeting of the Legislative Yuan to explain reasons for the additional budget, Premier Sun said the hike of oil prices and the world-wide economic recession will increase expenses for various constructive programs. The fiscal 1981 budget was originally set to be balanced at NT dollars 254,243,175,000, which was already approved by the Legislative Yuan. With the additional request, the budget will be balanced at NT dollars 275,054,175,000 for the current fiscal year which will end June [figure indistinct]. [Text] [OW281507 Taipei CNA in English 1445 GMT 28 Nov 80]

THAI MAIZE--Taipei, 2 Dec (CNA)--Thailand will ship a total of 110,000 tons of maize to the Republic of China from December to next January, the Taiwan Maize Import Association said Tuesday. The association said the maize was purchased from Thailand under the 1980-1981 Sino-Thai maize trade agreement. The Republic of China purchased another 110,000 tons of maize earlier this year, the association said. [Text] [OW030209 Taipei CNA in English 1407 GMT 2 Dec 80 OW]

INDONESIAN TRADE FAIR--Taipei, 2 Dec (CNA)--The Republic of China has decided to take part in the Jakarta National Trade Fair to be held in Indonesia from 30 May to 27 June 1981. China External Trade Development Council, which is in charge of organizing the Chinese pavilion, said the Republic of China's stand will mainly exhibit machinery. [Text] [Taipei CNA in English 1330 GMT 2 Dec 80 OW]

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